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NEWS SUMMARY

GENERAL

Norfolk slick inquiries ordered

Hundreds of tons of oil were being washed on to Norfolk beaches last night as anti-pollution vessels continued to spray dispersants on to the slick coming from the Greek tanker Eleni V.

The French and Greek Governments have ordered inquiries into the collision between the tanker and the French merchant vessel Roseline.

The tanker was carrying 16,800 tons of heavy fuel oil when it was sliced in two on collision with the Roseline. The after-section of the tanker, containing about 75 per cent. of the oil, has been towed to Holland.

Most of the pollution is coming from the forward section which was carrying about 4,000 tons of oil. About 1,000 tons have escaped so far. **Back Page**

Namibia talks

SWAPO leaders refused to take part in a new round of UN discussions on the Namibia settlement plan. SWAPO announced an hour before the talks were due to resume that its negotiators had been recalled to Lusaka. A statement said that the decision was taken because of South Africa's "air and ground military invasion" of Angola. **Back Page**

Propaganda row

Alleged clandestine propaganda activities are expected to provoke a major row in the South African Parliament to-day. Dr. Connie Mulder, Information Minister, will have to defend the activities of his department following a disclosure by Dr. Eschel Rhoodie, Information Secretary, that he has operated a secret fund for international operations without Parliamentary approval. **Page 4**

Coalition threat

Israel's Democratic Movement for Change is threatened with a split over demands that it withdraws from Mr. Begin's coalition Government. Deputy Premier Yigael Yadin, the DMC leader, has said he will fight those calling for his resignation because of his support for the Government's hard-line foreign policy. **Page 3**

Windscale report

The Government has formally accepted all the recommendations of the Parker report on Windscale, in preparation for Monday's debate on its special development order authorising the £600m. nuclear fuel project. **Page 8**

Seychelles 'plot'

Some members of the Kenyan Government had been involved in a plot to invade the Seychelles, Mr. Ogilvy Berlouis, Seychelles Interior Minister, alleged. He claimed that the invasion was to have been carried out last week by mercenaries sailing from Kenya and Somalia.

Volcano risk

Red hot lava poured down from the crater of Mayon volcano in the Philippines. Thousands of villagers are ready to evacuate if church bells signal a major eruption.

Briefly . . .

Newsagents federation asked the Government to outlaw unofficial union action which disrupts newspaper production or distribution. **Page 9**

Three white men were remanded in custody after being charged with attempted murder in Wolverhampton of a group of West Indians.

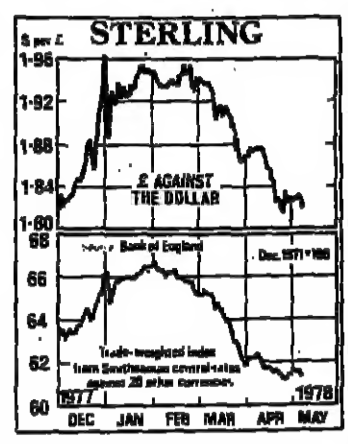
The Provisional IRA warned that it would continue its terrorist activities for another ten years if necessary, until Britain withdrew from Northern Ireland.

Malaysia's Information Minister has banned tight pants and other "indecent clothes" in television shows by local artists.

BUSINESS

Gilts and equities drift; £ lower

- **EQUITIES** drifted, with the FT 30-Share Index, up 1.9 at 11 a.m., closing 1.4 lower at 480.1. A 2.3 per cent. rise in the Oils sector left the All-Share Index up 0.3 per cent. at 217.03.
- **GILTS** were easier with losses of ¾ in longs. Government Securities Index slipped 0.30 to 71.43.
- **STERLING** lost 95 points to $1.8180 and its trade-weighted index declined to 61.3 (61.5).



The dollar's weighted average depreciation narrowed to 5.11 (5.29) per cent.

- **GOLD** lost $½ to $172¾ in London. The New York May Comex settlement price was $172 ($173.30).
- **WALL STREET** fell 4.53 to 824.58 on interest rate fears.
- **U.S. TREASURY** Bill rates: Threes 6.464 (6.46) per cent.; Sixes 6.986 (6.935) per cent.

IMF appeal to borrowers

- **INTERNATIONAL MONETARY** Fund wants countries running into balance of payments problems to approach it for help earlier than they are doing at present. **Back and Page 32; Editorial Comment, Page 18**
- **PORTUGAL'S** lending rate has been raised to 18 (13) per cent. as part of the credit squeeze agreed with the IMF. **Page 2**
- **U.S. BALANCE** of payments deficit last year amounted to $36.5bn., says the IMF. **Page 4**
- **AUEW** conference rejected any attempt by the Government to interfere with, close or run down British Leyland. **Back Page**
- **ICI** will face a union demand to recruit a set proportion of unemployed school-leavers into its white collar ranks when pay negotiations begin this month. **Back Page**
- **OIL-EXPORTING** countries borrowed as much last year from international banks as the less-developed countries, while their deposits with international banks grew only slightly faster. **Page 33**
- **CBI** is expected to recommend that companies should make it easier for workers to become MPs by promising to re-employ them and protecting their pension rights. **Page 7**
- **FRIGG FIELD**, which will be the mainstay of U.K. gas supplies from the North Sea for the next 20 years, was opened by King Olav of Norway. **Page 6**
- **SHOE IMPORTS** from South Korea rose by 167 per cent. in the first quarter, says the British Footwear Manufacturers' Federation. **Page 7**
- **WHEAL JANE** tin mine production ended yesterday. **Page 6**
- **MOTORCYCLE** sales were 12 per cent. higher last month than in April, 1977, the first indication of a revival in the U.K. market for about a year. **Page 6**
- **COMMERCIAL UNION** is increasing motor premiums by 16 per cent. on June 1. Results, **Page 29; Lex**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Aberdeen Cnstrctn.	93	+ 7
Bonser Eng.	34	+ 6
Brixton Ests.	96	+ 4
Brown (Matthew)	120	+ 7
Control Secs.	30	+ 2½
Decca	448	+ 8
LWT A	135	+ 7
Marchwiel	308	+ 17
Mill and Allen Intnl.	190	+ 5
Mitchell Cotts. T'port	68	+ 8
More O'Ferrall	110	+ 6
Newarthill	157	+ 7
Pearce (C. H.)	150	+ 20
Pork Farms	665	+ 198
Robertson Foods	145	+ 7
Ulster TV	60	+ 6
Vernon Fashion	118	+ 7
BP	850	+ 26
Shell Transport	582	+ 8
Ayer Hitam	335	+ 10
De Beers Dfd.	339	+ 5
Pancontinental	£11¼	+ ¾
Southern Kinta	190	+ 5
Tasminex	80	+ 10
Trans. Cons. Land	£13½	+ ½
FALLS		
Treas. 11¾pc 1991	£99¾	− ⅜
Greenwich 11¾pc 1986 (£10 pd.)	£8¾	− ⅛
S. Rhod. 6pc '78-81	£86	− 3
Nat. Carbonising	50	− 4
Pentland	16	− 4
Reed Intnl.	115	− 7
Scot. Universal Invs.	119	− 4
Ranger Oil	£24 5/16	− 2 1/16
Hampton Areas.	119	− 5

Government loses as Opposition join forces on tax cuts

BY RICHARD EVANS, LOBBY EDITOR

AN AMENDMENT cutting the standard rate of income tax by 1p to 33p was accepted in the Commons last night when all Opposition parties combined to defeat the Government.

The amendment was passed by 312 votes to 304 after the seven United Ulster Unionist MPs decided to support the Conservatives, Liberals and Nationalists in calling for the reduction.

The cost of the Tory and Liberal amendment to the Finance Bill, strongly opposed in the Commons by Mr. Denis Healey, Chancellor of the Exchequer, would be £340m. this year and £370m. in a full year.

The impression given by Mr. Healey before the division was that he would study the effects of Finance Bill reverses—there could be more to-morrow—on the public sector borrowing requirement before reaching a decision on how to make up any shortfall.

He hinted that a strong candidate would be an increase in the employers' National Insurance contribution, despite the effect this might have on employment.

He clearly rejected the Conservative suggestion to standardise value-added tax at 10 per cent. because of the effect this would have on the retail price index and on inflation.

What seems certain is that defeats in the Committee Stage of the Finance Bill, however wounding, will not precipitate an immediate General Election. Mr. James Callaghan is determined to complete the session, and would have Liberal support in any motion of no confidence.

However, for the first time Mr. Healey spoke without qualification of this being an election year. He went out of his way to accuse the Tories of blatant electioneering by going for the nominal reduction in standard rate.

The unexpected decision of the Unionist MPs shows that Mr. Enoch Powell and his colleagues are by no means the prospective Parliamentary partners that Mr. Callaghan had hoped might take the place of the Liberals, should he decide to postpone a General Election until next year.

The majority of Ulster MPs see no particular advantage in maintaining Mr. Callaghan's minority administration in office, since Minisetrs have shown no iclinatio toward restoring self-government to Northern Ireland.

Mr. Powell said that his colleagues would vote against the Government on political rather than economic grounds, and hinted that there might be a change of attitude if Ministers could give a pledge on future intentions toward restoring democratic local government in Ulster.

"We feel that our duty at this point, in our circumstances, is clear, and there will be no derogation of economic or political responsibility when we vote against the Government," he declared.

Mr. Healey accused the Tories of irresponsibility, and said a cut of 1p in the basic rate of income-tax could not for administrative reasons take effect until the late autumn at the earliest. Thus a tax cut would involve payment of over six months' tax rebate in October or November, and would have two economic consequences.

First, there would be a sudden increase in purchasing power and a demand for resources at a time when the U.K. economy might already be growing at a rate close to capacity, so that imports would be sucked in.

Second, there would be a large increase in the Government's borrowing needs with immediate effect on the growth of the money supply and on the PSBR.

He said the Government would watch the situation closely in the coming months, and monitor movement of public-sector borrowing requirement continuously to see if it was likely to exceed £8.5bn.

"If it seems likely to do so the Government will take the necessary steps to correct it."

Parliament Page 8

Saudi Arabia may back nominal oil price rise

BY RICHARD JOHNS

TAIF, May 8.

SAUDI ARABIA will, it is understood consider a nominal increase in the oil price at next month's conference of the Organisation of Petroleum Exporting Countries.

At the end of the informal OPEC ministerial conference Sheikh Ahmed Zaki Yamani, Saudi minister of oil, did not concede as much—indeed, he raised the question as to when market conditions would allow any rise in real terms. However, there appears to be more flexibility in the Saudi position than its public stance would suggest.

Having proved its decisive strength at the Caracas meeting last December and at Doha a year earlier, Saudi Arabia does not want to jeopardise the spirit of co-operation which has been restored at the "informal" conference held here over the week-end to discuss longer-term pricing and production strategy.

Moreover, the kingdom may feel some concession is necessary to satisfy hard-line member states such as Iraq, Libya and Algeria, which feel bitterly aggrieved by the erosion of their purchasing power from petroleum revenue because of the dollar's depreciation.

The economic department of OPEC's secretariat has calculated the fall in the value of members' dollar trade weighted earnings from the beginning of 1977 (when the last across the board rise took place) until April of this year at 18 per cent.

In a speech just over two weeks ago Crown Prince Fahd re-stated Saudi opposition to "excessive increases." These, he said, were against the country's own interests but also involved taking "risks with regard to our friends in OPEC."

In an interview with the Beirut daily Al Bayraq this week-end, he expressed the Kingdom's confidence in the dollar, but he added: "Saudi Arabia's commitment to the dollar means that any compensation would have to be in the form of a percentage increase."

Publicly, however, Sheikh Yamani was still predicting yesterday that there would be no rise in oil prices this year but acknowledged that some countries were "asking for that and will keep asking when we meet in Geneva."

A Ministerial committee of the six most important members of OPEC to study pricing and production strategy for the future has been established.

Heads of delegations of Saudi Arabia, Iran, Venezuela, Iraq, Kuwait, and Algeria are expected to meet before the Geneva conference. Sheikh Yamani believes that they will be in a position to submit recommendations in about a year when, it is hoped, the oil glut will be over and demand will have picked up.

Men and Matters Page 18

£23m. bid for Pork Farms

BY JAMES BARTHOLOMEW

NORTHERN FOODS yesterday announced a £23m. bid for Pork Farms, the pork pies and sausages company. The offer is worth £20m. more than the net tangible assets of Pork Farms at the time of the latest published balance sheet of February 26, 1977.

Mr. Nicholas Horsley, chairman of Northern Foods, said that he wanted Pork Farms because it was "the Rolls-Royce of the meat manufacturing industry." He had known the company for more than five years and admired its outstanding progress. Pork Farms' pre-tax profit had jumped from £278,000 in 1970-71 to an estimated £2.9m. for 1977-78.

He acknowledged that he was paying a great deal of "goodwill," the difference between the price paid and the net tangible assets, but the earnings made on those assets were the important thing.

Mr. Horsley claimed that the two businesses have a lot in common, both dealing in cooled food with a short shelf life. Northern Foods is a dairy company, with interests in milling, cakes and brewing. Both companies supply Marks and Spencer and Sainsbury's.

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Few claims are made that the merger offers operating advantages although Pork Farms could use Northern Foods flour in its pies. The main benefits are seen in terms of management and finance.

Mr. David Samworth chairman of Pork Farms, will become an executive director of Northern Foods.

Northern Foods has generated considerable cash in the last two years, with the last balance sheet including £11m. of cash and investments. The company made additional profits from its liquid funds by investing in local authority bonds last year.

The terms of the Pork Farms offer are four Northern Foods shares plus 315p cash for one Pork Farms share. There is an all-cash alternative of 675p per share. Last night Northern Foods shares closed 3p down at 92p, valuing the share plus cash offer at 683p per share. Pork Farms closed 198p up at 665p.

The bid is almost certain to go through because directors of Pork Farms and their families controlling 52.7 per cent. of the shares have irrevocably accepted.

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FEATURES

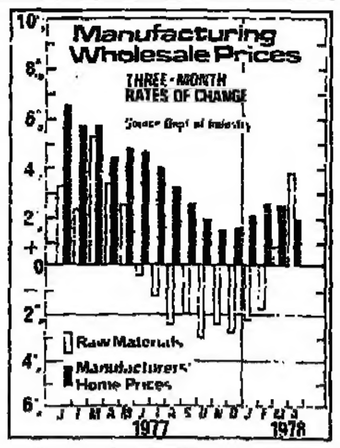
For latest Share Index 'phone 01-246 8026

WHOLESALE PRICES (1970=100)

		Output (Home Sales)	Raw Materials
1977	1st	248.0	341.5
	2nd	259.2	347.7
	3rd	267.7	340.5
	4th	272.1	330.6
1978	1st	278.9*	326.7*
1977	Oct.	271.0	333.8
	Nov.	272.0	329.9
	Dec.	273.3	328.0
1978	Jan.	271.1	324.9
	Feb.	279.2	324.2
	March	280.5*	330.9*
	April	282.6*	337.2*

* Provisional

Source: Department of Industry



Raw material costs jump as £ falls

BY MICHAEL BLANDEN

THE CONTINUED fall in the value of the pound in the foreign exchange markets brought another sharp jump in the cost of industry's raw materials and fuel last month.

The rise will work through to the retail price level in coming months and could make it difficult to hold down the inflation rate during the early part of next year.

However, the overall trend of output factory gate prices charged by manufacturing industry is expected to remain favourable for some time to come.

Officials remain confident that the Chancellor's Budget forecast of a drop in the year-on-year rate of retail price inflation to 7 per cent. by early summer will hold.

The increase in output prices last month, at about ¾ per cent. to an index figure of 282.6 (1970=100), was rather more than the ½ per cent. recorded in March.

Nevertheless, the year-on-year rate of rise in this index again dropped from 11½ per cent. in March to 10¾ per cent., and is expected to decline further into single figures.

The underlying trend, indicated by the increase over the last six months, remained at a low level of about 8½ per cent. a year for the fifth month running.

Increase

The trend of raw material costs is more worrying. Last month, the figure rose by 2 per cent. to 337.2 (1970=100), bringing the increase in the past two months to 4 per cent.

The country is still getting the benefit of the favourable trend which, with the help of last year's strength of sterling, brought the input price index down by nearly 7½ per cent. between April last year and February.

As a result, industry's raw material costs even in April were still 3½ per cent. lower than a year earlier.

But the sharp reversal of the downward trend in the past two months makes the medium-term outlook for prices more uncertain, particularly if sterling continues to experience the recent pressures.

It takes up to nine months or more for changes in the cost of raw materials to work through fully to the retail price level, though the recent rise could begin to be reflected in factory gate prices during the autumn.

Continued

Yesterday, the pound continued to slip against the dollar, ending with a loss of 95 points at $1.8180.

The Industry Department made it clear yesterday that the jump in the raw materials index was mainly the result of the decline in sterling, in a month when changes in the general level of commodity prices made little impact.

Leaving aside the materials bought by the food, drink and tobacco industries, materials purchased by the rest of manufacturing industry also rose in price by 2 per cent. Nearly half of the increase was accounted for by crude oil.

At the factory gate level, prices charged for manufactured goods other than food, drink and tobacco also showed an increase in line with manufacturing industry as a whole at ¾ per cent. This was the result of rises spread across most sectors.

In the food sector, however, there was a rise of 1 per cent in the output price index in April, half of it accounted for by higher prices for bread.

Raw material costs for food manufacturers rose by 1 per cent., mainly as a result of higher prices for home-produced cereals and imported oils and oilseeds.

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Banks to ease ship loans

By Lynton McLain, Industrial Staff

THE CLEARING banks have agreed to ease loan repayments by British shipowners in an attempt to help them through the world shipping recession.

According to moves announced yesterday by Mr. Edmund Dell, Trade Secretary, there is to be a three-year moratorium on capital repayments for part of the £880m. of bank loans to the industry outstanding under section 10 of the Industry Act 1972. Interest will continue to be paid.

Most of the loans which will be eligible for deferred repayment have been taken by small companies operating tramp-vessels.

Under section 10, the Secretary of State may, with the consent of the Treasury, guarantee payment to the banks of loans for building ships in Britain. More than £100m. was due for repayment to the banks this year.

The General Council of British Shipping welcomed the announcement.

Mr. Peter Walters, council president, said last night: "The new arrangements will help banks treat shipping loans like other loans, extending the time of repayment when the company involved is sound and well-managed with good modern tonnageand a good future."

The plan is designed to help companies which have short-term cash flow problems caused by the world recession. The Government, through the Industry Act, has extended the maximum repayment time during which it will guarantee the loans from seven years to 10.

The maximum credit remains at 70 per cent. of the ship contract and the interest on which payment may not be deferred remains at 7½ per cent.

The scheme is offered with several conditions. In practice it is likely to be of use to only a small number of tramp ship owners. Applicants must show that they have no recourse to alternative sources of finance, such as further bank loans or cash injections from large parent companies.

Interest will still have to be paid, and in every case normal repayments will start again by June 30, 1982, by which time the Government expects the shipping recession to be over.

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£ in New York

—	May 8	Previous
Spot	$1.8165-8175	[illegible]
1 month	0.61-0.56 dis	0.58-0.53 dis
3 months	1.23-1.16 dis	1.28-1.23 dis
12 months	5.05-4.85 dis	[illegible]

EUROPEAN NEWS

Italian doctor is latest victim of terrorist attacks

BY PAUL BETTS

ROME, May 8.

AS THE Red Brigades remained silent on the fate of the former Prime Minister, Sig. Aldo Moro, terrorists shot and wounded in Milan to-day a 52-year-old doctor, Sig. Diego Fava.

This latest attack is being taken as further indication that the terrorists are not concentrating all their energies on Sig. Moro's kidnapping, but seem determined to continue with their regular assaults on what they label "lackeys of the system."

In the past few days, a prison doctor in Novara and two industrialists in Milan and Genoa have also been gunned down, while the Alfa Romeo car group and the Sit-Siemens electronics concern have increasingly become targets of terrorist attacks.

At the political level, the main parties renewed, in the course of week-end rallies, their refusal to deal with the terrorists, who are now threatening to carry out their "death sentence" on Sig. Moro for the former Premier's so-called "political crimes."

The Christian Democrat Chief Whip, Sig. Flaminio Piccoli, reiterated the ruling party's appeal to the terrorists to release their prisoner. The party last week said the state would show "generosity and clemency" if the terrorists freed Sig. Moro and there was an effective halt to political violence.

The campaign for next Sunday's regional polls, involving some 4m. voters or about one-tenth of the electorate, has been relatively low-key in the wake of the Moro affair. The kidnapping has generated a large measure of solidarity between the main political parties.

Nonetheless, next Sunday's polls will represent the first effective electoral test since the inconclusive June 1976 general elections.

While Sig. Moro's kidnapping has clearly dominated the campaign with all parties presenting hard law and order platforms, the elections will also be an important test of the country's mood following the recent unique political agreement in which the Communists directly support a minority Christian Democrat Government.

Despite the controversial "humanitarian" position of the Socialist party towards the Moro affair, sharply condemned by the Communists, the recent emergency political formula—largely inspired by Sig. Moro himself—now seems to be growing in strength. In great part this is due to the Christian Democrat's firm stand against the terrorists, which has been openly praised by the Communists.

Meanwhile, official figures released here to-day confirmed the continuing improvement of the country's trade balance. Italy's trade deficit in March amounted to L200bn. (about £120m.), compared to L464bn. for the same month last year.

In the first quarter of this year, Italy's trade deficit totalled L403bn, as against L1,346bn. during the same period last year, according to the National Statistics Bureau, ISTAT.

The improvement is in part due to an increase in export performance but also to a reduction in imports, reflecting the current slow-down in industrial output.

Bank of Portugal's lending rate up by 5%

By Jimmy Burns

LISBON, May 8.

THE BANK of Portugal to-day increased its lending rate from 13 to 18 per cent. as part of a general credit squeeze agreed with the International Monetary Fund (IMF) to follow the country's devaluation on Saturday.

Although details on the credit ceiling to be imposed by individual banks will not be made available until to-morrow, one non-commercial bank, Credito Predial Portuguesa, carried a prominent advertisement in one of Lisbon's leading afternoon newspapers to-day, offering 19 per cent. interest rates for deposits above six months, and 20 per cent. for deposits left for more than a year.

Differences over the scale of the credit squeeze emerged as one of the main sticking points in the talks with the IMF on the terms which Portugal had to accept before being granted nearly $800m. worth of Western aid to cover her balance of payments deficit of $1.75bn.

Along the lines of the 6.5 per cent. devaluation announced on Saturday, the five per cent. increase in the bank lending rate has been interpreted here by official sources as the fruit of a "negotiated compromise," given the fact that the Fund is reported to have demanded an increase in the rate of more than seven per cent.

Nevertheless, the increase in the rate is bound to have a marked effect on economic activity in Portugal, particularly in the industrial sector where many small companies may be forced out of business, thereby pushing up the rate of unemployment.

The insurrection of May 1968, writes **David White**, has left a lasting impression

Paris: ten years after the events

FROM A LATIN QUARTER print-shop you can now buy reprinted posters from the troubles of May-June 1968 at Frs.100 or just under £12 a copy.

If 10 years is enough to make political graffiti into antiques, it is also enough to bring a flood of retrospection about the "events" which shook French complacency to its foundations and had the Fifth Republic teetering on the edge of revolution. The May 1968 jubilee has arrived.

Newspapers, magazines and TV programmes are stuffed with reminiscences. A cinema is showing six hours of films made during the student riots and labour strikes. Former militants turned "new philsophers" philosophise. A dozen new books have appeared on the stands, by ex-combatants, journalists, a former Interior Minister, a Police Commissioner, and the 1968 Parise Prefect of Police himself.

Yet amid all the regurgitations, by turn superficial and vague, is a France which has not yet fully digested what happened in 1968, why and what it meant.

This week ten years ago was the turning point. The night of May 10 saw the first paving stones being ripped up to form barricades. About 50 barricades went up in the streets of the Left Bank, and what had begun as a protest on the grim campus of Nanterre turned dizzily into insurrection. Three days later, workers were called out on strike in factories throughout France. During the whole period about 10m. people were involved, 12 died by the official count and nearly 2,000 were treated in hospital for wounds.

In a year marked by student revolt in several countries, often more violent than in France (West Germany, Italy, the U.S., Mexico), France was unique because of the surprising and never-repeated merger between university and worker unrest.

The political movement may have been incoherent, its tactics clumsy, its slogans outdated, but many can be heard airing nostalgia about the atmosphere it engendered among the young: "We felt inspired, there was something in the air. The intoxication has not returned. Nor has anyone among French writers managed to capture the feelings of the time in the way that Flaubert crystallised the 1848 insurgency, 21 years later, in his "Senimental Education."

Adversaries in 1968: a helmeted policeman and stone-throwing students.

Was it worth it? It marked the start of the last chapter of De Gaulle's presidency. But the backlash, already apparent when the Gaullists staged a mass rally in June that year, reinforced his Fifth Republic. "Ten years, that's enough" was one of the rallying cries of 1968 against De Gaulle. But 10 years later the Fifth Republic is firmly ensconced.

The Education Minister of May 1968, M. Alain Peyrefitte, is now Justice Minister. Of the three student leaders, M. Alain Geismar is a physics don, M. Jacques Sauvageot an art history teacher. M. Daniel Cohn-Bendit, "Dany le Rouge," French-born but with a West German passport, is still, at the age of 33, banned from returning to France. M. Sauvageot says he has not seen the other two since 1968.

The paving stones on the Latin Quarter boulevards have been asphalted over. Iron grills around the tree-trunks, used as student defences, have not been replaced. The police, who found big bulldozers vulnerable to attack, bought a small fleet of Mercedes vehicles for use against barricades, but never had to put them to the test. An outbreak of violence in this year's May Day labour rally, when an anarchist group broke through to the front of the march, fizzled into nothing.

However, there are legacies of 1968. They include the ecologist movement, women's liberation, regionalism, the theme of "self-management" in industry and spontaneous strike movements. The French Communist Party's moves away from Moscow orthodoxy could also be traced to 1968. Then there are the radical newspapers such as "Liberation," and nearly 1m people who voted to the Left or the Communists in the last election. There is the use of jargon unheard before 1968, and the less tangible changes in attitudes and relations between generations.

An opinion poll published this week in L'Express magazine found that 1968 was considered as important a date as 1958, when de Gaulle returned to power. More people thought the "events" had had a positive effect in education, in employer relations, and in cultural life than those who thought otherwise. Only the verdict on relations between parents and children was on balance negative.

But the specific changes brought in to alleviate workers' and student grievances have had mixed results. The 1968 wage agreements accelerated progress in family allowances and working conditions and gave the lowest paid a 35 per cent rise. But this was soon eroded.

The educational system has been through two big reforms. Universities have gained autonomy, students brought into faculty decisions, outsiders allowed to lecture and an open university created at Vincennes. But the more flexible system has created its own problems—disorganisation, too many students. Places such as the Paris architecture school, the Ecole des Beaux-Arts, heavily involved in 1968, are still recovering.

The lycees have been allowed a small part of their time off from the uniform and binding curriculum, but the tyranny of the baccalaureat, the school-leaving exam, still thrives. The complaints one hears from students and lyceens these days are much the same as they were 10 years ago.

Among its comments on an upheaval which began and had its centre in the universities and schools, Le Monde's latest educational supplement has a cartoon of a pipe-smoking teacher. "Oh, yes," he is saying, "things have changed quite a bit since 68. Me, for instance, I'm 10 years older."

BIS talks focus on stabilising currencies

By Our Own Correspondent

BASLE, May 8.

CENTRAL BANKERS of the top industrialised countries returned to the problem of how to stabilise their currencies to-day, but without much apparent progress towards practical solutions.

A participant in the closed-door meeting of central bank governors said that "nothing sensational" had emerged in the talks, which continue to-morrow. The governors' meeting, held under the auspices of the Bank for International Settlements (BIS) falls between the International Monetary Fund interim committee talks held at the beginning of the month in Mexico City and a series of other key encounters likely to focus on currency problems: the BIS's own annual meeting next month, the Bremen EEC summit and the seven-nation summit in Bonn scheduled for mid-July.

Mr. William Miller, chairman of the U.S. Federal Reserve Board, is expected toattend next month's BIS meeting, the first time he will have participated in the regular Basle sessions since taking office in March.

The main storm cloud on the currency horizon—the weakness of the dollar — has been alleviated by the U.S. currency's recent recovery on foreign exchange markets. This trend has

This has litfed some immediate problems, and the Swiss National Bank, for instance, is envisaging the possibility of lifting its restrictions on currency import and stock purchases, although not immediately. Central bankers were reserved in their assessment of proposals for greater EEC monetary independence and a wider European currency snake, which were outlined by heads of Government at the Copenhagen summit last month.

Bonn demands better deal over AWACS

BY ADRIAN DICKS

BONN, May 8.

WEST GERMAN agreement on the purchase for Nato of the U.S. airborne warning and control system (AWACS) still depends on a more equitable sharing of the costs, as well as on U.S. willingness to buy West German military equipment, Herr Hans Apel, the West German Defence Minister, said in a magazine interview published to-day.

The main weapon which Bonn now hopes to sell to the Pentagon is the Gepard anti-aircraft tank. Dr. Harold Brown, the U.S. Defence Secretary, made clear the cost reservations which Washington has over this deal—due in part to the fall of the dollar against the deutschemark—when he visited Bonn last month.

Herr Apel admitted that the chances for a U.S. order for the weapon were slim, but also repeated that he would not ask Parliament for the supplementary funds neded for AWACS "before we can see clearly enough to make up the bill."

He told the weekly magazine Der Spiegel that while he remains in favour of the AWACS on strategic grounds, "I am a long way from accepting the 30 per cent share allotted to us Germans. Our share would then correspond to the American one, which certainly cannot make sense. Nor can it make sense to let Italy off with paying only a million dollars."

The Minister's remarks come only 10 days before NATO Defence Ministers meet as a group to consider the troubled AWACS project yet again, in hopes that final approval can be given it at the alliance's forthcoming summit meeting in Washington. In addition to the question of West Germany's share and to the difficulties this would create for its medium-term defence financial planning, Herr Apel spelled out in greater detail than previously in public the terms Bonn hopes to secure from Washington, he listed:

- Part of the AWACS, and notably the avionics equipment giving the aircraft its sophisticated "see down" radar and control capabilities, should be built in West Germany.
- The NATO base for the 18 proposed AWACS aircraft should be in West Germany.
- Bonn will hope to see U.S. forces stationed in West Germany buy German trucks.
- It will also hope to see orders for West German equipment placed when the U.S. forces here replace present telephone and telecommunications systems.
- Finally, Herr Apel referred to the chance that the U.S. would buy the Gepard for forces deployed in Europe.

The first two of Herr Apel's conditions appear to be relatively close to agreement. Two weeks ago Mr. Jerry Weinstein, a senior vice-president of Boeing, outlined a package which the U.S. aerospace company, builder of the E-3A aircraft to be used, now sees as a clearly-defined sharing of work.

Aer Lingus strike settled

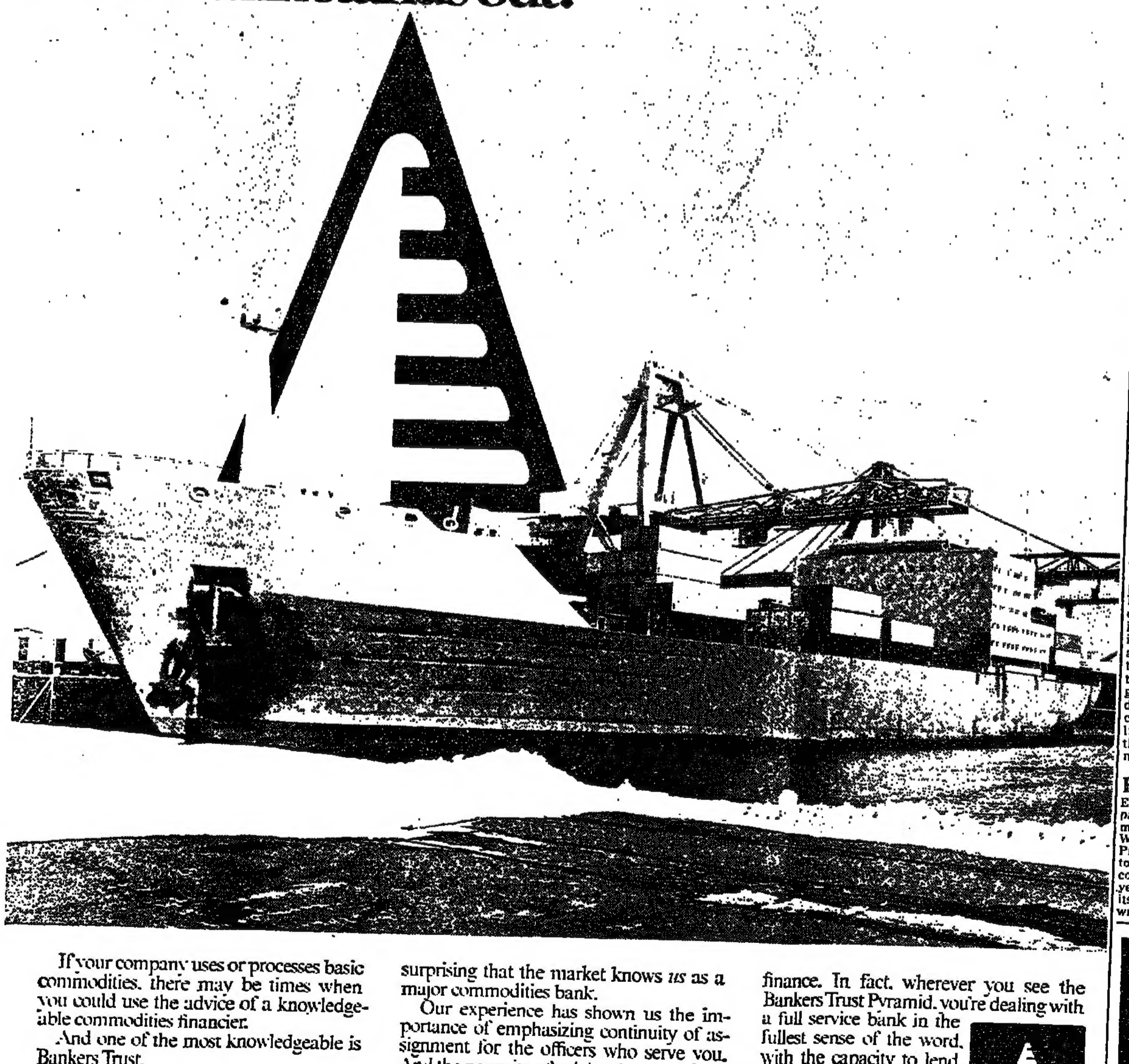
BY OUR FOREIGN STAFF

AER LINGUS, the Irish airline, operated normal flights from Dublin and Cork yesterday for the first time in seven weeks, following the resolution of a strike by clerical workers. The strike, also supported by air hostesses and other ground staff, cost the airline an estimated £50,000 to £60,000 a day in lost traffic out of the two affected airports.

The settlement, reached late on Friday night, provides for a 5 per cent. salary supplement for the clerical workers — members of the Workers' Union of Ireland—in return for increased productivity.

Front page story

East Germany has given front-page treatment in its main Communist Party newspaper to the West German visit by Soviet President Leonid Brezhnev, and to a message from Mr. Brezhnev congratulating East Germany on yesterday's 33rd anniversary of its liberation by the Red Army, writes Leslie Colitt in Berlin.



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EUROPEAN NEWS

French post-election round of industrial talks draws to close

BY DAVID CURRY

PARIS, May 8.

THE PROLONGED post-election discussions between the French trade unions and Government and industry will be largely wound up to-day when the employers' organisation, the Patronat, meets the leaders of the Communist-backed CGT union and the moderate Force Ouvriere (FO).

All sides have been careful to emphasise that the aim of these talks—with President Valery Giscard d'Estaing; with M. Raymond Barre, the Prime Minister; and now with the employers—has been to have a preliminary canter across the industrial relations landscape without embarking on the details of salary negotiations.

No clear indication about the shape of such negotiation has emerged. The Government says it wants a return to free collective bargaining, sector by sector, within guidelines. In practice, this will translate into plant level bargaining, in many stace, where an effective sectorial structure is lacking.

The employers on the whole are anxious to avoid nationwide wage agreements because they tend to exaggerate the gains in real wages resulting from indexation to cost of living increases. They are also keen to get more flexible working arrangements, for example by replacing the 40-hour week with a system, setting down annual working limits which could be applied flexibly throughout the year.

The unions are pushing for improved wages particularly at the lower end of the scale but their protests against the Government's modest recent increase in the minimum wage have been purely verbal.

It also looks unlikely that M. Andre Bergeron, the FO leader, will win for his membership the fifth week paid holiday he was so confident of gaining as a reward for cooperating throughout last year with the Barre government when the more militant unions were banking on a left-wing election victory.

To his chagrin it is M. Edmond Maire, the leader of the Socialist inclined and loosely organised CFDT who is emerging as the key man in the Government's strategy. It would clearly suit the Government admirably to take advantage of the CFDT's disenchantment with its alliance with the CGT, and its own newly-found enthusiasm for participation may also reflect its desire to embrace an idea which is particularly cherished at the CFDT.

The real indication of union sentiment will come when they have recovered from their election shellshock and when they have assessed how much money and will-power the Government is prepared to put behind its liberal social policy. With unemployment bound to worsen and all indications being that the Government is not in a generous mood, observers are inclined to think that the autumn may turn out to be a lot hotter than the present wintry spring.

Dutch to keep Folkerts

THE HAGUE, May 8.

THE DUTCH Supreme Court today cleared the way for the extradition of two West German urban guerrillas, but ruled that a third man, convicted murderer Knut Folkerts, could not be extradited.

The Court threw out appeals against extradition by Gert Schneider (29) and Christoph Wackernagel (26), who were arrested in Amsterdam last November after a gunbattle in which both were wounded. All three are wanted in West Germany for offences which include membership of a terrorist organisation.

Mr. Jacob de Ruiter, the Justice Minister, will decide in the next few days whether to allow the extraditions to take place, according to Dutch officials.

The Court made an important reservation in the case of 26-year-old Folkerts, declaring that he could not be extradited for offences concerning the kidnapping of Dr. Hans-Martin Schleyer, the German industrialist, last September.

In their appeals, lawyers for the three West Germans asked the Supreme Court to rule out extradition because of the political nature of the offences for which they are wanted in their own country. But Holland's Advocate-General argued that this would open the door to a flood of similar appeals by common criminals.

Folkerts, a member of the Red Army faction, was given a 20-year prison sentence by a Utrecht court last December for murdering a Dutch policeman.

Reuter

Sweden's Premier says he may resign

By John Walker

STOCKHOLM, May 8.

Mr. Thorbjorn Falldin, the Swedish Prime Minister, is considering resigning for "personal reasons" because he says of the humiliation he and his family have undergone at the hands of the Press. The Prime Minister was specifically referring to a satyrical article in the left-wing Stockholm evening newspaper at Aftonbladet earlier this year. Mr. Falldin took the newspaper to court claiming damages of S.Kr.1. But he lost his case and the court said the article was protected by the Freedom of the Press Act. He now faces costs amounting to S.Kr.23,000.

Mr. Falldin has said he will make his decision known at the next Centre Party meeting due to be held in mid-June. However, his talk of resignation has thrown the three Government coalition parties into some confusion and Mr. Ola Ullsten, the Deputy Prime Minister, has called for an early decision.

In addition, the Prime Minister has been involved in a controversy over his pre-election promise gradually to do away with nuclear power plants in Sweden unless they are made 100 per cent. safe. Some of his coalition partners consider this attitude unrealistic and observers fear a serious crisis next autumn when the decision has to be made whether to bring another nuclear station on stream.

So does the Government and when a suitable candidate is found he is nominated by the speaker of the House and Parliament then votes on his appointment.

The Government, the first non-Socialist one for 40 years, has been in power for about half of its three-year term. The current turn of events could have far reaching effects particularly on the outcome of the next general election due to be held in September, 1979.

The most recent public opinion poll, taken at the end of April showed that if a general election had been held then the three coalition parties would have polled 46.5 per cent. of the votes, against 52 per cent. of the joint Socialist and Communist parties. The poll showed the Socialists increasing their strength, and the Centre Party continuing its decline.

OVERSEAS NEWS

Israeli coalition party threatened with split

BY DAVID LENNON

TEL AVIV, May 8.

Dr. Yigael Yadin

THE DEMOCRATIC MOVEMENT for Change, the second largest party in Israel's ruling coalition, is threatened with a split over demands by a sizeable minority that it leave the Government headed by Mr. Menahem Begin.

The party leader, Prof. Yigael Yadin, the deputy Prime Minister, is under personal attack for his outspoken support for the Government's hard-line foreign policy. He said last night that he will fight those calling for his resignation.

The coalition controls 78 of the 120 seats in the Knesset (Parliament), so even if all the 15 DMC members were to leave Mr. Begin's Government would still command a narrow majority. However, disaffection within the Government would weaken the claim that its response to President Anwar Sadat's peace initiative represents the consensus of opinion in the Parliament and the country.

The DMC was founded shortly before last year's General Elections by people dissatisfied over corruption in Government and what they described as the general decline in national morals. It brought together the youthful idealists of the Shinui (Change) movement and older supporters of the discredited Labour Party.

It had hoped to become a major radical force in Israeli politics with its platform of electoral and social reform, peaceful foreign and liberal economic policies.

It narrowly failed to win enough seats to hold the sought-for balance of power, and eventually joined the coalition on terms dictated by Mr. Begin. The concessions which this involved marked the beginning of the party's decline in public popularity.

The DMC's secretary general, Mr. Ram Ron, confirmed that 35 per cent. of the party's ruling council are opposed to participation in the Government. The focal point of their discontent is the feeling that the Government has been insufficiently flexible in response to the visit to Jerusalem in November last by the Egyptian leader.

In recent weeks the opposition within the DMC has called on the party's four representatives in the Cabinet to stress the DMC willingness for territorial concessions in exchange for peace. In addition to these sharp attacks on the leadership from within the ruling council, hundreds of members have signed advertisements in the newspapers calling for the party to quit the coalition.

A meeting was due to be held this evening in Tel Aviv, where members and former members plan to issue a call for the DMC to resign from the Government unless the Prime Minister softens his stand in the peace negotiations.

The DMC is to-day divided into two camps. The idealists believe that it should be faithful to its principles, even if this means serving on the opposition benches. But the pragmatists, who are still a majority, believe that they can better influence Government from within, even if some compromises have to be made in the process.

Professor Yadin and the other three DMC Ministers are strong advocates of remaining in Government, but they have failed to convince all of the parliamentary party or the rank-and-file that they are effectively pursuing the party's platform on foreign affairs.

The issue is expected to come to a head next month when the party has to elect a new ruling council. It is expected that both camps will fight fiercely to strengthen their representation.

Saudis say U.S. unfair on F-15s

By Our Own Correspondent

TAIF, May 8.

SAUDI ARABIA has declared that its patience with U.S. attempts to link future arms supplies with Saudi oil production, was not inexhaustible. But at the same time, Sheikh Ahmed Zaki Yamani, Saudi Oil Minister, stressed that Riyadh's friendship with Washington was based on solid foundations.

In a carefully balanced answer at a news conference here last night amounting more to an appeal than a warning—Sheikh Yamani took the opportunity to clear up confusion over last week's reported warning by him on this score and subsequent denials.

At the outset, Sheikh Yamani stressed that it was "unfair" to link Saudi oil policy to the proposed deal for the sale of 60 F-15s and that the Kingdom, whose friendship with the U.S. was based on "permanent, solid foundations" was of fundamental importance. But he also spelled out the importance attached by Saudi Arabia to the principle involved in the purchase of the aircraft which is being bitterly opposed by Israel and is running into Congressional trouble.

He explained that "because the F-15 is so important and because the Administration know that . . . if we don't get it we will feel that you do not appreciate our friendship and that you are not concerned with our situation."

UN troops in Lebanon to move in bid to avoid PLO clashes

BY IHSAN HIJAZI

BEIRUT, May 8.

UNITED NATIONS forces in Lebanon are to be redeployed under a new security plan and to avoid further friction with Palestinian guerrillas.

The headquarters of the forces, officially known as the UN Interim Force in Lebanon (UNIFIL), have been moved from the offices of the U.S.-owned Tapline company at Zahrani, 20 miles north of the Litani River, to Naqoura immediately on Lebanon's border with Israel. Even the offices which UNIFIL maintained in Beirut are to be transferred to Naqoura within the next 24 hours, according to informed sources.

Lebanese businessmen who were negotiating with UNIFIL's procurement department on providing supplies to the troops were told to-day that no supplies will be purchased here and that they will be obtained from Israel instead. "We stand to lose about $4m. worth of business a month," one angry businessman commented.

Above all, the French battalion in the ancient port of Tyre, south of the Litani, is expected to be moved out of there, but no details were immediately available.

Two French soldiers were killed and the battalion's commander, Colonel Jean Germain Salvan, was wounded in a clash with armed men in Tyre last week. The gunmen were described as militant Lebanese left-wingers associated with radical Palestinian guerrilla groups.

A meeting here on Friday between Unifil's commander, Major-General Emmanuel Erskine of Ghana and Mr. Yasir Arafat, chairman of the Palestine Liberation Organisation, apparently failed to solve the problems faced in the field or bring about a common definition of Unifil's role.

Unifil apparently decided on a course of avoiding friction. First news about the projected redeployment of the French battalion came yesterday from M. Louis de Guiringaud, the French Foreign Minister, who, however, did not give details. He said in a radio interview that the redeployment will make the mission of the French battalion easier.

Observers here noted that Unifil's decision to move further south appeared to be intended to bring the troops under Israel's protective umbrella.

Unifil's total strength currently stands at about 4,000 men. Two thousand more are expected to arrive here later this month as approved by the UN Security Council last week. The additional forces are to be contributed by the Republic of Ireland, Iran and Fiji islands.

Meanwhile, Palestinian guerrillas at the town of Nabatiyah in southern Lebanon last night engaged in artillery duels with Israeli-backed Christian militias at the towns of Marjayoun and Qlaia, according to eyewitnesses. The electric generator in Nabatiyah received a direct hit and plunged the town into darkness.

David Lennon writes from Tel Aviv: The Commander of the Christian forces in South Lebanon, Major Sa'ad Hadad, yesterday accused the UN of failing to keep the Palestinians out of South Lebanon and called for the resignation of the UN Secretary General, Dr. Kurt Waldheim. The morning newspaper Ha'Aretz to-day claimed that a new terrorist organisation, the Popular Front for the Liberation of South Lebanon, has been set up by Libya with Iraqi participation. It aims to fight the Israelis, the right-wing Christians and the UN, the paper quotes informed sources as saying.

Israel, for its part, is concerned about reports that the UN troops in Tyre may be withdrawn to avoid clashes with Palestinian forces. Officials here say they are pleased with the way the UN units have been acting to prevent the infiltration of Palestinian units into the area evacuated by Israeli troops. But there is some doubt that Israel will agree to name a date for final withdrawal if there are indications that the UN is backing away from confrontation in Tyre.

Egyptians ready for Arab summit

ALEXANDRIA, May 8.

President Anwar Sadat said today that Egypt was ready to attend Arab reconciliation summit and that he expected nothing to stand in its way. Mr. Sadat was speaking to reporters after a 90-minute meeting with President Jaafar Nimeiri of Sudan.

The Sudanese leader had previously visited Syria and Iraq in an effort to convene a summit of Arab leaders split over Mr. Sadat's peace overtures to Israel. General Nimeiri said last week that he expected the conference to take place within eight weeks and offered Khartoum as its venue.

Syria's state-run radio said on Saturday that before an Arab summit could be held Mr. Sadat must renounce his peace initiative and admit its failure. The Egyptian leader only last week said that peace moves would continue, but to-day he told reporters who asked him whether there were obstacles to the conference. "I don't expect (there to be), especially after President Nimeiri's tour."

"We have no objections either to the date or the venue," he said.

Asked about the outcome of President Nimeiri's talks in Damascus and Baghdad, Mr. Sadat said it was up to the Sudanese leader to reply to this question. General Nimeiri declined to comment.

Reuter

OVERSEAS NEWS

Propaganda row likely to worsen in South Africa

BY QUENTIN PEEL JOHANNESBURG, May 8.

A MAJOR political row is expected to come to a head in the South African parliament to-morrow following startling revelations about the clandestine propaganda activities of the Department of Information.

Dr. Connie Mulder, the Minister of Information, will have to defend the activities of his department following a disclosure by his top civil servant, Dr. Eschel Rhoodie, the Secretary for Information, that he has for years operated a secret fund for international operations without Parliamentary approval. The debate goes to the heart of the South African propaganda effort to sell the government's "separate development" policies and the strategy adopted by Dr. Mulder and Dr. Rhoodie of aggressive public response to any criticism, combined with low-profile lobbying of potential international supporters. It also concerns the standing and ambitions of Dr. Mulder, for long seen as the natural successor as Prime Minister to Mr. John Vorster, within the ruling National Party.

The existence of the secret fund was made public at the weekend by Dr. Rhoodie in response to an investigation of his department but Mr. Gerald Barrie, the parliamentary Auditor-General and the country's most senior civil servant, as well as by a parliamentary select committee and several opposition newspapers. In doing so he publicly criticised the auditor general, and accused his critics of undermining operations vital to the security of the state.

The nature and extent of those operations is still unclear. Mr. Barrie simply accused the department of extravagant and wasteful expenditure, and of making substantial payments—totalling some R500,000 (£312,500)—without treasury clearance.

Dr. Rhoodie now reveals that he was operating a secret fund for which he was accountable only to a special three-man cabinet committee, and which had never been approved by parliament. This apparently financed undercover foreign trips by senior information officials (such as one Dr. Rhoodie himself made to see former president, Mr. James Mancham of the Seychelles), as well as publications purporting to be independent.

It is still not certain what will be the response of Mr. Vorster, and the National Party caucus, to the whole furore. The issue is expected to be thoroughly debated at to-morrow's cabinet meeting, and Mr. Vorster is thought likely to take part in the parliamentary debate.

Some observers believe that the party will close ranks in the face of concerted opposition calls for the resignation of both Dr. Rhodie and Dr. Mulder. Further curbs on Press reporting may even be proposed because of the newspaper investigations.

It has already been announced that the department of information is to be reorganised, and probably broken up between other ministries, such as foreign affairs. The loss of such a portfolio is to some extent a reprimand to Dr. Mulder. Unless Mr. Vorster is convinced that there has been further, as yet undisclosed, wrongdoing in the information department, it seems likely that he will stand by his colleague.


Dr. Connie Mulder


Dr. Eschel Rhoodie

TANZANIA'S ECONOMY

A push for a bold and visionary experiment

BY MARTIN DICKSON RECENTLY IN DAR ES SALAAM

WE HAVE not reached our goal, it is not even in sight. But that is neither surprising nor alarming. No country in the world is yet fully socialist . . . what matters is that in the last ten years we in Tanzania have taken some very important steps towards our goals.

Thus wrote President Julius Nyerere of Tanzania last year in a remarkably blunt and honest appraisal of his country's successes and failures in the decade since the Arusha Declaration of Political Principles set Tanzania firmly on the socialist road.

That decade has seen Tanzania systematically push forward with one of the boldest and most visionary political experiments of any African state: the attempt to create a completely egalitarian society founded on pre-colonial African values stressing the community rather than the individual.

It would be premature to attempt to judge the endeavour after so little time. But Tanzania's economic track record and current shifts of emphasis in Government policy do point up both achievements so far and the major problems that have come to light.

Foreign economists generally agree that a new spirit of pragmatism has been gathering strength in Tanzania in recent years in response to the relatively sluggish performances of agriculture and state run industry.

Tanzanians acknowledge that there has been a shift of emphasis, but dislike the use of the word pragmatism which might be taken to imply that the country is departing from its socialist goal. It is not. Rather, the country is now in a period of reassessing the best route to that goal, and redressing some of the excesses and blindspots of the first ten years.

More emphasis is being placed on the need for individual incentives on the farm and in the factories, and on the role that private enterprise can play in the redevelopment process.

For an African country which inherited few natural resources and a poorly developed infrastructure and industrial base at independence, Tanzania has not done too badly—better, indeed, than many other African countries more richly endowed.

However, as President Nyerere himself pointed out in his pamphlet appraising the past decade, real GDP has been increasing at a lower real rate since the policy changes of 1967. The rise averaged 6.4 per cent. a year between 1964 and 1967 while it averaged 4.2 per cent. a year between 1967 and 1975.

And though Tanzania has achieved a remarkably high level of capital formation between 1970 and 1975 there has been no accelerated growth of GDP in response to it. At a time of such major structural change that is hardly surprising. A large percentage of investment capital has gone into creating modern infrastructure such as transport. Great emphasis has also been placed on the provision of basic social services—one of Tanzania's proudest achievements—and on the decentralisation of Government.

All these changes may bear fruit in the long term: decentralisation, for example, could produce more efficient answers to local economic problems. But in the short term, Tanzania's growth pattern, at least up to 1975, favoured the services sector, especially public administration, at the expense of agriculture and industry.

As President Nyerere himself argued in his pamphlet, "We have been, and still are, grossly inefficient in our factories and workshops," and "agricultural results have been very disappointing."

> **Foreign economists generally agree that a new spirit of pragmatism has been gathering strength in Tanzania in recent years in response to the relatively sluggish performances of agriculture and state run industries . . . .**

Productivity in the industrial sector, dominated by State-owned companies, has declined for a wide variety of reasons, including weak incentives, shortage of trained manpower, periodic shortages of imported materials and worker disciplinary problems. This was particularly so in the early 1970s, the headiest days of industrial democracy.

But the Government is trying hard to rectify the position. The emphasis now is on industrial discipline. Since 1975 there has been a major restructuring of development expenditure in favour of agriculture, mining and industry.

Following President Nyerere's stocktaking last year—in which he emphasised that profit is necessary whether an enterprise is publicly or privately owned—the Government has closed one loss-making State-run transport company, returned public butcheries to the private sector, and laid more emphasis on the role of private enterprise.

Furthermore, ministers have been repeatedly stressing that where possible pay should be based on worker efficiency. A pilot piece-work project in the textiles industry is reported to have produced a major rise in productivity.

Agriculture, which employs nearly 90 per cent. of the labour force and provides 70 per cent. of exports, presents the crucial test. Growth has been sluggish with the average annual increase between 1967 and 1976 at 2.8 per cent., about equal to the rate of population growth.

Contributory factors include past Government neglect of adequate producer prices, insufficient attention to appropriate technical innovation, the weather, and the upheaval produced by the mass movement of peasants into larger villages. The aim of this movement was to promote the communal ethic and to take advantage of economies of scale in the provision of services.

Tanzanians are defensive about this exercise, under which 11m. peasants are said to have moved into villages since 1972 after years of ignoring Government exhortations to do so.

President Nyerere acknowledges that there were cases "where people were rounded up without notice and dumped on the village site, without time to prepare shelter for themselves." But he adds that "11m. people could not have been moved by force in Tanzania; we do not have the physical capacity for such forced movement, any more than we have the desire for it."

It seems likely, however, that the use of force in some areas acted as a powerful pressure on many peasants to move.

A considerable degree of pragmatism is also evident in the new villages. Peasants are still largely farming on an individual basis and, for the moment there is much less emphasis on the communal ethic. But perhaps the most important feature of the programme is that it has moved Tanzania from a system of shifting agriculture towards one of settled production.

Tanzania is still recovering from the disastrous year of 1974 when dearer oil coupled with major peasant resettlement and severe drought produced a serious external payments problem, leading to sharply tightened import controls.

Thanks largely to higher coffee prices and tough import controls—just now being eased—the balance of payments was healthily back in surplus to the tune of Shillings 135m. (about £11m.) last June, at the end of the 1976-1977 financial year.

Industrial productivity has picked up—it grew 6.2 per cent. in 1976 compared to 0.3 per cent. in the previous year. Ironically, the break up of the East African Community is now giving an additional boost to industry. The closure of the border with Kenya has seen a mini-boom in small industries which would not have been competitive before.

There has also been some improvement in agriculture, notably of cotton, cashew nut and tobacco production, but it has been scattered and Tanzania is still waiting for a sustained rise of productivity in key export sectors.

Chairman Hua courts Pyongyang

Hua Kuo-feng, the Chinese leader, who has begun a tour of North Korea's provinces, after completing a visit to the capital, Pyongyang, has emphasised the importance to China of a good relationship with North Korea, Colina MacDougall writes. He is taking the North Korean line on the role of the U.S. as "imperialist aggressor and divider of the Korean people."

In recent years, Peking has avoided a hawk-like attitude on Korean reunification or the U.S. presence in the area. Unofficially it has made it clear to visitors to China that it believes an American presence in the Pacific, and possibly even in South Korea, is desirable to preserve stability.

Hua's visit comes at an important moment in the debate on Korea. The U.S. has announced that it is slowing down its phased withdrawal of ground troops from South Korea, planned for this year. The decision indicates President Carter's growing awareness of the effect of any change in the status quo. President Ceausescu of Romania (who visited Washington last month and is believed to have discussed Korea, is due in Peking later this month. Mr. Zbigniew Brzezinski, Mr. Carter's security adviser, is to visit the Chinese capital on May 20 during a Far Eastern tour. Chairman Hua is probably now taking a tougher public line on the U.S. out of a desire to improve relations with North Korea, at a time when other neighbour States, Vietnam, Cambodia, Afghanistan, are hostile, in a state of flux, or pro-Soviet.

ANZUS exercises

Australia and the United States will conduct joint naval exercises in the Indian Ocean soon to demonstrate their continued commitment to the ANZUS alliance, Kenneth Randall reports from Canberra. The exercises were proposed by Mr. Walter Mondale, the U.S. Vice-President, during discussions with senior members of the Australian Government, including Mr. Malcolm Fraser, the prime minister. The exercises will be unusual in that most ANZUS activity in the past has centred on the Pacific.

Multinationals defended

Third World countries are often irrational about multinational companies, Mr. Christopher Tugendhat, EEC Commissioner for budget, financial institution and personnel, said in Hong Kong, Reuter reports. He told a Commonwealth mining and metallurgical congress that multinational company investments in developing countries had been more or less stagnating for some time. Many developing countries felt they were treated with a lack of respect and justice by industrialised nations, he said. Their resentment provoked them into assertive and, in economic terms, sadly irrational policies towards multinational companies.

Journalists jailed

Thirteen Pakistani journalists and printing workers have been given jail sentences of between six and 12 months and fined for taking part in hunger strikes in protest against the Government's closure of the Urdu language newspaper, Musawat, Reuter reports from Lahore. Among those sentenced is Nizar Osmani, secretary-general of the Pakistan Federal Union of Journalists, who was sentenced to a year's jail and fined 10,000 rupees. Musawat was closed for printing a statement by Mr. Zulfikar Ali Bhutto, the former Prime Minister, who has been condemned to death.

New Zealand issues

New Zealand's Development Finance Corporation, a Government-sponsored organisation, is to issue $U.S.20m. in notes due in 1983 and another $U.S.20m. due in 1985, Dal Hayward writes from Wellington.

The notes will be issued through a banking syndicate headed by Citicorp International Bank Ltd. Others in the syndicate will be Commerzbank AG, Kidder Peabody International, Orion Bank, and S. G. Warburg and Company. Prices will be fixed in light of prevailing market conditions at the time of issue.

EEC and Japan in bank talks

BY CHARLES SMITH TOKYO, May 8.

THE EEC Commissioner for Finance and the Budget, Mr. Christopher Tugendhat, arrives in Tokyo to-night for three days of talks with Japanese financial officials which are expected to focus mainly on the position of European banks in Japan.

Mr. Tugendhat's programme includes brief sessions, to-morrow with the ministers of Finance, Foreign Affairs, and Overseas External Relations followed by a longer working session on Wednesday with Finance Ministry officials. On Thursday, Mr. Tugendhat will meet the governor of the Bank of Japan, Mr. Morinaga.

The background to the talks is a decline in the profitability and loan balances of most foreign banks in Tokyo resulting basically from the slack fund demand which has permeated the Japanese economy for the past year or so. Foreign banks have also been affected by a sharp fall in demand for and the margins to be earned on impact loans (foreign currency denominated loans made by foreign banks to Japanese corporate borrowers).

Partly because of the latter situation the foreign banking community in Tokyo is seeking greater access to yen financing. A proposal for the introduction of certificates of deposit (CDS) as a means of attracting yen funds has been floated with the apparent support of Japanese domestic banks, and could possibly be taken up by Mr. Tugendhat.

Banks — both foreign and domestic—are subject to tight regulation in Japan from the Ministry of Finance and the Bank of Japan, but there is no suggestion of overt discrimination by the authorities against the foreign community. What seems likely to be argued by Mr. Tugendhat is that Japan has reached the point of being able to afford a degree of relaxation of controls which could benefit foreign banks and make their position in Tokyo more closely comparable to the position of Japanese banks in (for example) London.

The EEC's intervention in the debate on Japanese banking follows similar moves from a number of other quarters, including the major U.S. Banks. The Bank of Japan has reacted by publishing an English language memorandum setting out its basic policies towards commercial banks and refuting allegations of discrimination.

Page 5. EEC investment guarantee plan

AMERICAN NEWS

IMF report shows U.S. $36.5bn. payments deficit

WASHINGTON, May 8.

THE INTERNATIONAL Monetary Fund (IMF) in a study published to-day, says that the U.S. balance of payments deficit in 1977 amounted to a massive $36.5bn. The U.S. previously reported that its international payments deficit last year was about $20.2bn. on a "current-account" basis, which mainly reflects trade and service transactions with other nations.

The IMF arrived at its broader measure of the overall U.S. payments deficit by including additional factors, such as the big increase in U.S. liabilities to foreign monetary authorities. By the IMF's reckoning, the overall U.S. balance of payments deficit in 1976 was about $11bn.

Generally, the IMF study shows that the international payments situations in the U.S. and other countries were seriously out of balance last year. The pattern showed very large deficits, particularly for the U.S., and some very big surpluses for other countries.

IMF officials have become increasingly concerned over the huge imbalances in international payments. Mr. Johannes Witteveen, the outgoing Managing Director of the IMF said during a recent Mexico City meeting of finance ministers that this situation urgently required economic policy adjustments in both the "surplus" and the "deficit" countries, if the world economic recovery was to be sustained.

For the industrial nations as a group, the IMF study shows that the overall international payments deficits last year amounted to about $4.95bn. in from approximately $4.95bn. in 1976. But there also were very big swings from deficits to substantial surpluses for Britain and Italy, while the surpluses for West Germany and Japan continued to grow.

Britain's overall balance of payments surplus last year, the report shows, amounted to about $14.24bn. In 1976, the U.K. had a $9.67bn. deficit.

Aside from last year's improvements in Britain's "current account" situation, the IMF study notes that there was "a large shift from a small net outflow of capital in 1976 to a very large inflow of funds in 1977."

Italy had a 1977 surplus amounting to about $5.7bn. after incurring an overall international payments deficit of about $309m. in 1976.

In Japan, the IMF study says, the overall balance of payments surplus last year was about $6.75bn. up from $4bn. in 1976. This increase occurred, the IMF says, "despite a rapidly expanding net outflow" of capital from Japan during last year.

West Germany's overall balance of payments surplus in 1977 according to the IMF report, was about $4.77bn., up from $3.56bn. in 1976.

The IMF report also says that the surpluses of the oil-exporting countries as a group increased last year to about $10.25bn. from about $9.3bn. in 1976. Within this group, Algeria slipped from a 1976 surplus into a deficit last year, while Iran, which had a small deficit in 1976, switched into a relatively strong surplus position of about $3.53bn. in 1977. AP-DJ

Blumenthal urges investment

WASHINGTON, May 8.

UNLESS PRIVATE investment picked up there was little to suggest long-term recovery of U.S. prospects for growth, Mr. Michael Blumenthal, Treasury Secretary, said to-day.

Referring to the reduced capital investment of recent years, Mr. Blumenthal, who was speaking in Bal Harbour, Florida, said: "We are under-investing because it no longer pays enough to invest enough." He called for a thorough review of the tax structure for the longer-term and said that he would like to see the double taxation of dividends receive very close attention.

Mr. Blumenthal added that there was no time in this Congress to undertake such an effort and the Administration was therefore strongly resisting any and all efforts to open up structural issues of capital income taxation.

The economy showed dangerous signs of under-investment and misinvestment, he said. "We aren't setting aside enough of to-day's income for to-morrow's growth. We are skimping on our future." Mr. Blumenthal said the capital structure of U.S. enterprise showed a questionable tilt in the financial system towards offering more loans and less equity financing.

The ratio of debt to equity for manufacturing companies had risen from about 25 per cent. in the early 1960s to 40 per cent. at the end of last year. That piling up of fixed claims made U.S. businesses much more vulnerable to the swings of the business cycle.

Mr. Blumenthal said that the reduction in equity capital would encourage a trend toward dominance by larger companies, make the corporate sector abnormally skittish about economic fluctuations, and would lead to a dearth of new small companies dedicated to testing, generating and spreading technological innovation.

He said that the U.S. depended heavily on exports of research and development-intensive manufactured products. In manufactured products that were not research- and development-intensive, the trade balance was negative. But spending on research and development had declined as a percentage of GNP since the 1960s, Mr. Blumenthal said.

"Our technological supremacy isn't mandated by heaven. It can disappear. Unless we pay close attention to it and invest in it, it will disappear." AP-DJ

Pressure for banking change

BY DAVID LASCELLES NEW YORK, May 8.

PRESSURES for a big change in U.S. banking practices grow during the week-end with a decision by the secon dof the two federal agencies responsible for regulating commercial banks to allow them to transfer money automatically from savings to current accounts.

The decision by the Federal Deposit Insurance Corporation (FDIC), which regulates some 9,000 banks, followed a similar decision last week by the Federal Reserve Board, which has 5.7000 banks as members. But both agencies are to be challenged in the courts by the savings banks which stand to lose by the change.

Present regulations were originally introduced in 1933 to protect savings banks during the great depression.

The decision by the Fed and the FDIC, which is due to take effect on November 1, would have far-reaching consequences. It would enable bank customers to overdraw their current accounts, so long as they have enough in savings to cover the draft. At the moment, banks do not permit overdrafts, except in special, pre-negotiated cases, even when customers have big savings.

It will also make it easier for customers to keep money in interest-earning savings accounts, rather than as a contingency in current accounts, thus altering the profile of the money supply.

Although the new rules could be costly for the banks, because they will have to pay out more in interest, they are generally in favour of the change, since it will increase competition with the savings banks which are allowed by law to offer higher interest rates than commercial banks.

However, the League of Savings Associations has announced its intention to file a suit this week in a federal count to prevent the change from taking effect, on the grounds that it contravenes a federal law which forbids payment of interest on demand deposits. Whatever the court's ruling, though, the issue may well have to be decided by Congress, where changes in the law on demand deposits have been contemplated for some time.

The Office of the Comptroller of the Currency has said that it is in favour of paying interest on demand deposits, and the FDIC commented last week that, although it voted for the change, it would prefer to see the matter settled by Congress.

Steel 'trigger prices' increased

BY STEWART FLEMING NEW YORK, May 8.

THE U.S. Treasury has raised by 5.5 per cent. the "trigger prices"—designed to protect the steel industry from unfair foreign competition—on integrated steel mill products such as sheet and plate.

The announcement provides the U.S. steel industry with some reassurance about the Treasury's willingness to operate the trigger price system against unfair imports, although so far the industry is maintaining its sceptical position on the effectiveness of the mechanism.

Thus, over the week-end, Mr. W. J. De Lancey, the President of Republic Steel, claimed that the first four months of trade under the trigger price system which was introduced in February, has raised questions about its effectiveness.

Other observers point out, however, that the real test of the scheme will not emerge until June and July. This is because the Treasury exempted until April 30, steel which was being imported on contracts whose prices had been set before the trigger price system was installed.

The system sets levels for various categories of steel import. Foreign importers cannot sell below these prices to the U.S. without the risk of triggering anti-dumping investigations by the Treasury.

By increasing the trigger prices which are based on Japanese cost of production, the Treasury is putting pressure on foreign importers to raise their prices, making it more difficult for them to under-cut U.S.-produced steel. The move follows an increase earlier in the year of about 5.5 per cent. in steel prices set by U.S. manufacturers.

Without a corresponding increase in the trigger price, this increase left foreign importers with a bigger margin by which they.. could undercut U.S. producers. However, with this rise in trigger prices effective from July 1, that margin will be narrowed again. The rationale for the boost in trigger prices, the Treasury said, is that because of the rise in the exchange value of the Japanese yen, it was now calculating Japanese cost data on the basis of 226 yen to the dollar instead of 240 yen.

Some steel industry analysts are suggesting that the U.S. industry may use the latest move in the trigger price in order to help increase their domestic prices again later in the year.

U.S. COMPANY NEWS

Gennett and Combined Communications in merger: Seven-Up urgesrejection of bid; strong rise at Enserch—Page 32.

Demand for credit may raise short-term rates

By John Wyles

NEW YORK, May 8.

SURGING CREDIT demands, as the U.S. economy swings through a spring recovery after its winter pause, are thought likely to provoke a further increase in short-term interest rates in the not too distant future.

A tremor of fear that the Federal Reserve Board might again be raising its target rate for federal funds — the reserves which banks lend each other — pushed up rates in the short-term money markets late last Friday afternoon. This nervouseness stems from a realisation that credit demands are rising rapidly and an uncertainty as to how the Fed.—under its new chairman, Mr. William Miller — proposes to accommodate these pressures while, at the same time, maintaining its hard line on inflation.

The indications this morning were that the Fed is maintaining its current 7¼ per cent. Fed funds rate target, but the conviction that this level cannot last long is causing some apprehension in the money markets.

A pointer to the swift pace of economic recovery — now that the depressing impact of a miners' strike and harsh winter weather have been removed — comes with the publication figures showing that consumer instalment credit leaped by a record, seasonally adjusted $4.07bn. in March. At the same time short-term business borrowing between January and April was higher than in any comparable period since 1974, and some economists now expect that businessmen will now start borowing in anticipation of the cost of money continuing to increase.

This in turn will put further pressure on the money supply in the wake of six consecutive weeks of increase in the M1 measure, totalling an aggregate $7.8bn. This four-week rate of increase of more than 16 per cent. was one factor behind the Fed's recent raising of its Fed funds target rate to 7¼ per cent., while another appears to have been a determination to demonstrate to the Administration and Congress that the Fed is prepared to take vigorous action in the absence of moves to trim the federal Budget deficit, and of an overall grip on the inflation rate.

The Fed's behaviour drew praise this morning from Mr. Miller's predecessor Dr. Arthur Burns, who said that he has "nothing but commendations for what the Federal Reserve is doing" in its conduct of monetary policy. But Dr. Burns called for a stronger anti-inflation programme from the Administration and for action to curb an increase in the federal Budget deficit.

The Fed's recent actions are now reflected in money market rates, and in a dwindling net inflow of funds into savings institutions. Deposits of this kind are down by more than a third, so far, on the equivalent period last year, partly because money is now succumbing to the superior attractions of fixed income investments such as corporate bonds and Treasury issues..

Responding to the tighter money market and heavy withdrawals on April, most of the large California savings and loan associations, which finance house purchases, have raised their mortgage rates from 9¾ per cent. to 10 per cent.—the first double digit rate since 1974. A decline in funds available for housing construction could hurt the economy later in the year, while a 10 per cent. mortgage rate will not be politically popular for the Administration.

Now that most large U.S. banks have pushed their prime rates to 8¼ per cent., the Fed is expected to raise its discount rate shortly. In the meantime, Treasury issues are suffering from the general credit tightening and from the publication of the wholesale price index, which showed last week an annual rate of increase of 15.6 per cent.

Two new Treasury issues fell below prices set early in the week, with the result that the new 8¼ per cent. bond due 1995-200 was yielding 8.49 per cent. on Friday compared to 8.47 per cent. on pricing. Yields on medium-term Triple A utilities rose by up to five basis points last week, but rates on long-term corporate bonds continue to be resilient.

FORMER FED CHIEF TAKES ACADEMIC POSTS

Dr. Burns prescribes

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON, MAY 8

AFTER DELIBERATING for a month or so, Dr. Arthur Burns has made up his mind. It was announced this morning that the former chairman of the Federal Reserve Board would be joining the American Enterprise Institute, a Conservative Washington-based think tank, and would also lecture undergraduates on economic policy and the business world at Georgetown University.

Dr. Burns, who has spent most of the time since leaving the Fed on a tour of Japan and Australia, entertained the media with his customary drollness this morning. He has given several post-Fed interviews since stepping down, offering assorted prescriptions for economic ailments, and he repeated several of them to-day.

As far as inflation is concerned. Dr. Burns restated his belief that the President should cut his own salary of $200,000 a year as an example and should invite members of his administration and Congress to take similar action. Planned federal pay increases should be cut by half. The President should suggest a two-year freeze on corporate salaries and a national productivity council should be established to improve output.

But, generally, Dr. Burns let the Carter Administration off lightly, commending the President's "forthright approach" to economic questions and suggesting that judgment should be deferred by perhaps three months or more, on the latest anti-inflationary programme. He had nothing but praise for the performance of his successor at the Fed, Mr. William Miller, and wryly noted that if Mr. Miller ended by "out-Burnsing Burns" in his direction of monetary policy, "it will not make me unhappy."

Further decline in the value of the dollar against the currencies of Japan West Germany and Switzerland, he said, could have grave consequences for the economies of those countries and therefore the world. He sympathised at length with the Japanese economic dilemma, but offered no magic solutions; economic forecasting, he ventured to suggest, is an imperfect art.

But in the months to come there is no doubt that Dr. Burns will be expected, not least by his new colleagues at the AEI, to come up with more prescriptions, much as he has in the past. The AEI has clearly brought off a mini-coup in landing the former Fed chairman in the face of stiff competing offers, including one from the most notable Washington think?tank, the more liberally oriented Brookings Institution.

This is not the first such coup. Dr. Burns's official title is scholar-in-residence, for which, it is believed, he will be paid $50,000 a year. President Ford is also on the AEI books, as a distinguished Fellow and, under the AEI's auspices, has spent some time over the last year lecturing on college campuses.

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EEC investment scheme may assist Third World

BY ANTHONY ROWLEY

HONG KONG, May 8.

THE EUROPEAN Community is considering a range of new investment guarantee schemes designed to supplement "inadequate" national schemes and to revive European companies' flagging interest in Third World investments.

These schemes, which may be financed partly out of the Community budget, were outlined by EEC Commissioner Mr. Christopher Tugendhat to-day in his inaugural lecture to the 11th Commonwealth Mining and Metallurgical Congress being held here.

The absence of adequate levels of foreign investment in the less developed countries (LDC's) is something which is causing the EEC "very considerable concern" he said, particularly in view of Europe's great and growing dependence on the Third World for minerals and other raw materials.

"We have been giving very close thought to the question of both the commercial and non-commercial conditions that need to be established to revive the interest of multi-national companies, particularly European companies, in Third World projects."

The EEC Commission recently submitted to the Council of Ministers plans for "specific measures to protect foreign investments from undue interference by LDC Governments," Mr. Tugendhat disclosed.

The Commission proposes action on two fronts. The first involves the negotiating of agreements between the Community and individual developing countries—or groups of them—fixing the "norms of good conduct" between the parties concerned.

These include: "Transparency and stability of investment conditions, non-discriminatory treatment of investment, the possibility of transfer of income and capital, fair and equitable treatment of investors' property, investors' compliance with host country laws, and disputes settlement procedures."

Secondly, the Commission proposes specific project agreements linked to "Community guarantees," he went on. These would help significantly to improve the security of all investment, but particularly in mining and related sectors.

Specific project agreements would relate to individual projects and would be tripartite agreements among the Community, the host country and the investor. The EEC would arbitrate in the event of unilateral modification of the terms and conditions of the investment.

"In principle, projects eligible for the conclusion of a specific protection agreement should be undertaken by companies from at least two member states and involve a large capital outlay, say $50 or more."

Community guarantees would offer investors "financial protection against non-commercial risks." The guarantee would result from a bilateral contract between the Community and the investor, concluded at the request of the latter.

"It would cover war risks, restrictions on free transfer, expropriation and any other unilateral modifications of the conditions defined in the specific agreement that would have an adverse effect on the viability of the investment."

Investing companies would be asked to pay a premium for these Community guarantees (varying according to the type of risk) but if receipts from premiums were insufficient to finance the guarantees there would have to be recourse to the Community budget.

As commisioner responsible for the Community budget, he would be "very happy to see (it) used to underwrite arrangements of this kind," Mr. Tugendhat added.

Norway ship-building aid

BY FAY GJESTER

OSLO, May 8.

A NORWEGIAN Government policy document on measures to aid the troubled national ship-building industry, published at the week-end, is less optimistic about the industry's prospects than the Royal Commission which reported on the subject in January.

It asks Parliament to approve increased allocations for some types of financial support to shipyards, but the aid proposed is less than expected, and there is emphasis on solving the social and employment problems which the anticipated lay-offs in the industry may create.

The document skirts the touchy question of just how steeply ship-building employment is likely to fall. (The Royal Commission recommended a cut of 6,000 to 14 000 over three years, while a minority on the Commission counselled an even more drastic cut, to 8,000).

It says that this will be determined by demand conditions, by the efforts and efficiency of the various yards, and by the extent to which the state can afford subsidies which will make the yards competitive. It stresses that ship-builders should not pin too many hopes on converting to production for the oil industry, and comments that the oil sector seems likely to provide less alternative employment for the yards than the Royal Commission foresaw.

U.S. delays may prompt Algeria to sell gas in Europe

BY FRANCIS GHILES, RECENTLY IN ALGIERS

SOME 20bn. cubic metres of Algerian liquefied natural gas (LNG), until now earmarked for the U.S., look increasingly as if they will go instead to Europe, mainly to West Germany and Sweden. For the second time in two months, M. Nordine Ait Laoussine, Sonatrach's executive vice president has warned that his country's patience over the U.S. gas sales is fast running out.

He was referring to the fact that the Department of Energy in Washington has yet to issue final import authorisation for two major U.S.-Algerian contracts each of which would allow the imports of 10bn. cubic metres of gas per annum into the U.S. Final decisions were due in the case of a second contract with El Paso last June, and in the case of one with Tenneco last September. The deadline for final approval was extended in both cases until the end of 1977 but to-day, four months later, no final decision has been taken.

Three LNG contracts have already been signed between Algeria and U.S. companies two of which are operational: the El Paso 1, which is for 10bn. cubic metres a year and which started at the end of February this year, following the opening of the gas liquefaction plant at Arzew in Western Algeria and the Distrigas 1.2bn cubic metres a year contract. A 4bn. cubic metres a year contract with the Panhandle group was approved by the Federal Power Commission last July.

Approval

Since then the Federal Power Commission has been replaced by the Federal Energy Regulatory Commission (FERC), which has endorsed both the El Paso II and the Tenneco contracts. However the FERC is no longer the final decision maker. Such deals now have to be approved by the Department of Energy.

The Department of Energy is holding up the two contracts for the same reasons which delayed the approval of the Panhandle contract last year. Both Sonatrach and Panhandle had irsisted on conditions which the Federal Power Commission only agreed to after a protracted argument. It finally ruled that the clause in the contract alowing for the automatic escalation in the FOB price of gas every six months was acceptable and secondly that it accepted the principle of averaging the price of gas and its cheaper U.S. domestic supplies.

Sonatrach and the two U.S. companies thought that the eventual acceptance of these conditions would clear the way for future contracts, despite the fact that a 6bn. cubic metres a year contract Sonatrach had signed with Eascogas fell through last year for the same reasons.

In an interview with Middle East Economic Survey two weeks ago, M Ait Laoussine hinted at what may be another reason for the hold up: "It seems to me that the U.S. Government's stand on Algerian gas is basically geopolitical." The extent to which Algeria can be relied upon as a supplier on whom the U.S. must depend for much of its imports is the subject of debate in Washington, where it has been suggested that the Algerians were considering interrupting supplies at the time of the 1973 oil embargo.

The fact is that Algeria did not cut off LNG exports, has denied it ever intended doing so and has repeatedly stated that it does not consider LNG to be in the arena of oil politics. A crucial technical point, which supports the Algerian argument is that it is impossible to turn off gas as one can oil: LNG tankers are specially fitted out for the terminals they serve.

The gas earmarked for Eascogas finally went to the Dutch-German consortium Ruhrgas, Salzgitter and Gasunie. Sonatrack feels confident about its future sales because it has signed standby contracts with potential customers and is negotiating with others, all in Europe, which ensures that it will be able to sell all the gas it will be producing by the mid-1980s.

It has signed a contract with Thyssengas, Brigitta and Elwerath of West Germany which will take 4bn. cubic metres a year and is currently negotiating with Swedgas, OMV of Austria and Ferngas of West Germany, each of which want to buy 2bn. cubic metres a year. Gaz de France is also negotiating for a substantial increase in the amount of gas it will buy.

The price at which Sonatrach sells its gas varies. The El Paso 1 contract signed in 1969 provided for a base price of 30 cents per b.t.u., a price which has been increased to 35 cents thanks to the escalation clause in the contract.

The U.S. authorities expect Sonatrach to try to raise this price which has fallen so far below current gas price levels. So far Sonatrach has refused to comment, except to point out that contracts are supposed to be beneficial to both parties. Clearly Sonatrach is waiting to see the outcome of the present argument with the Department of Energy over the new contracts before making any moves on trying to alter the El Paso I price.

Closer relations

If the two contracts with El Passo II and Tenneco fall through, the links between Algeria and the U.S. will still not be severed. The U.S. has become Algeria's main trading partner, pushing France into second place last year. The U.S. Eximbank is prepared to increase its exposure in Algeria by 100 per cent if contracts currently being negotiated between Algerian and U.S. companies are concluded.

Relations with the U.S. are bound to get closer as Algeria seeks to diversify its economic relations and loosen its links with France. At the opening of the Arzew liquefaction plant President Boumedienne spoke in Arabic while M Ahmed Ghozali, the Energy Minister, delivered his address in English. Never before had English been used on an important state occasion in Algeria. The symbolism was not lost on any of the dignitaries, many of them flown in from abroad, to attend the ceremony.

W. Europe plastics over-capacity move

BY KEVIN DONE, CHEMICALS CORRESPONDENT

FRANKFURT, May 8.

WESTERN EUROPEAN plastics producers have taken the first step towards organising a voluntary system of restraint on investment in new capacity.

But there is still fundamental disagreement in the industry about the degree of central control which should be invited from the EEC Commission in tackling the problems of the over-capacity in manufacture of plastics. Opposition is especially strong in West Germany to any idea of implementing a cartel arrangement.

Following recent meetings with Viscount Etienne Davignon, the EEC Commissioner for Industry, plastics materials manufacturers have agreed to set up a detailed European survey covering present capacity in western Europe, future expansion plans, expected levels of demand, imports and exports.

The study will only deal with the major commodity plastics—low- and high-density polyethylene, polypropylene, PVC (polyvinyl chloride), and polystyrene. These are the products which have been worst hit by stagnant demand and falling prices, which have exacerbated the present gross over-capacity.

Plastics materials plants in Europe have been working on average at about 70 per cent. capacity.

Plastics producers are far from united on the best way of dealing with the present surplus capacity surplus, but the Commission is understood to be extremely reluctant to allow manufacturers to move towards a cartel arrangement.

Singapore chemical plant doubt

BY CHRISTOPHER SHERWELL

SINGAPORE, May 8.

OFFICIAL Japanese reassurances have failed to silence doubts on whether construction will now go ahead on the proposed S$2bn. ($830m.) Singapore petrochemical complex.

The project, the largest industrial venture ever planned for Singapore, is already well behind its original schedule. But Mr. Tashio Komoto, Japan's Minister for International Trade and Industry, declared on a visit to Singapore last week that the plant would be "in operation" by 1982.

An agreement on the building of the core complex, a S$1bn. naphtha cracker producing ethylene and propylene was signed last August under a 50:50 joint venture between a 23-member Japanese consortium led by Sumitomo, and the Singapore Government.

However, construction has been held up pending commitments from a number of chemical companies including Shell and Dow Chemical, to purchase the output.

Optimism on trade with Ivory Coast

By Bridget Bloom,
Africa Correspondent

IN WHAT IS officially described as a campaign to boost British trade and other relations with the Ivory Coast, M. Philippe Yace, Secretary General of the Ivory Coast ruling party and effectively the country's Vice President, yesterday began a week long official visit to Britain.

Ivory Coast, the former French West African colony, is now Britain's fifth largest market in black Africa. Total Ivory Coast imports were some £720m. in 1976, of which Britain accounted for some £18m.

However, partly thanks to a trade drive in the last year, British exports to Ivory Coast this year are expected to be between £30-40m., according to Mr. Ted Rowlands Minister of State at the Foreign Office.

Mr. Rowlands, who has visited Ivory Coast twice in the last six months, has said that Mr. Yace's visit is part of a "conscious campaign" to better Anglo-Ivoirean trading, as well as political relationships.

Emphasising that Ivory Coast, which has been governed by President Houphouet Boigny since independence in 1960, was economically and politically one of the most stable regimes in Africa, Mr. Rowlands said that the major problem to increasing Anglo-Ivoirean trade was "an information gap at the U.K. end."

The Ivory Coast had one of the most liberal investment regimes, with few restrictions on remittances.

Korean shoe exports to U.K. up 167%

BY CHRISTOPHER DUNN

SOUTH KOREA showed a huge increase in shoe exports to the U.K. during the first quarter of this year, the British Footwear Manufacturers Federation said yesterday.

The Federation's figures also showed a fall in total first-quarter shoe imports, both by value and in volume, from last year's high levels.

South Korean shoe imports totalled 4.5m. pairs, an increase of 167 per cent. on last year.

The Federation deplored the speed and scale of the increase and said it planned to press the Government to impose import curbs on South Korea as quickly as possible.

It would also ask the Government to look at other countries showing sharp rises in shoe exports to the U.K., notably Portugal, Sweden, India, Malaysia and the Philippines.

Shoe distributors last week promised to monitor shoe imports to help maintain U.K. production levels.

Total shoe imports fell 15 per cent. to 33.4m. pairs, or more than 40 per cent. of the U.K.'s shoe consumption.

Imports from Japan, Taiwan and Pakistan all fell more than 70 per cent.

First-quarter shoe exports were unchanged at 5m. pairs, but British shoe makers had good gains in the U.S. and several Common Market countries.

Exports to Nigeria rose by 112 per cent. to 543,000 pairs, ahead of an import ban.

Shoe deliveries in the U.K. for the first two months of the year were unchanged, and overtime in February was still in excess of short-time working.

Australia steel export hopes

By Kenneth Randall

CANBERRA, May 8

AUSTRALIA'S MINISTER for Special Trade Representations, Mr. Vic Garland, said to-night that an arrangement on Australian steel exports to the EEC for the rest of this year was expected to be concluded by the end of this week on his return from the latest round of discussions in Europe.

Grandmet wins Jordan contract

By Rami G. Khouri

GRAND Metropolitan Hotels International, the overseas arm of the Grand Metropolitan Group that is now concentrating on developing hotel management contracts throughout the Middle East, has signed two new management contracts in Jordan.

The group is also well placed to play a growing role in the future development of the southern Red Sea resort of Aqaba.

Hammer tries to cool oil row

By Sue Cameron

DR. ARMAND HAMMER, chairman of the U.S. Occidental Petroleum group, tried yesterday to defuse the row with the British National Oil Corporation by publicly dissociating his company from remarks by Mr. Bob MacAlister, one of the organisation's most senior executives.

Dr. Hammer, speaking at a British-American Chamber of Commerce lunch in London, did not name Mr. MacAlister, who is president of Occidental International Oil, the European and African wing of the group, but it was clear that he was referring to an attack by Mr. MacAlister on the Corporation two weeks ago, when he accused it of slowing oil exploration in the North Sea.

The top management of Occidental "was certainly not in agreement with what our senior official said," Dr. Hammer said. He was quick to add that the executive in question was a "strong-minded and valuable man." The group needed men like this.

"You are likely to have read about comments made by one of our more senior people here in Europe on the subject of BNOC—views that are not shared by the top management of our company.

"When strong characters like this deliver an opinion you are not usually left in doubt as to what it is.

Although Occidental had "minor differences now and again" with BNOC, there had never been serious disagreements.

If the full wealth of the British Continental shelf were to be realised, further incentives must be made available to oil companies. Dr. Hammer suggested that these "further inducements" from the Government might take the form of tax credits.

Frigg Field opens way to mutual aid

BY RAY DAFTER, ENERGY CORRESPONDENT

FRIGG FIELD, which will be the mainstay of U.K. gas supplies from the North Sea for the next 20 years, was officially inaugurated yesterday when Sir Denis Rooke, British Gas Corporation chairman, predicted that it would set the pattern for future international energy collaboration.

The field, which is costing £2bn. to develop, is expected to meet about 25 per cent. of Britain's gas needs in the 1980s.

The reservoir straddles the U.K./Norwegian median line, a position which provided a novel diplomatic twist to yesterday's inauguration—King Olav of Norway performed the ceremony on the quarters platform which stands just inside U.K. waters.

To-day it will be Britain's turn when the Queen opens the St. Fergus terminal in Scotland designed to handle gas supplies from Frigg and other fields in the Northerly sector of the North Sea.

Sir Denis said in Stavanger last night that British Gas had spent £400m. on the terminal and on-shore transmission lines.

The total Frigg project was an "outstanding example of the kind of international projects which will become increasingly important if we are to succeed in harnessing the energy resources of the world."

Development of the Anglo-Norwegian field has been an international affair. The Frigg group is a Franco-Norwegian partnership comprising Elf Aquitaine, Total, Norsk Hydro and Statoil.

The main production platforms were built in Norway, Sweden, the U.K. and France, while the rest of the equipment came from a much broader spread of countries.

Exploitation of the field—the biggest offshore gas find in the world—has given rise to a unique international treaty between the British and Norwegian Governments.

Milestone

Mr. Bjartmar Gjerde, the Norwegian Energy Minister, said that Frigg represented a new and important milestone in the development of North Sea resources which would help to secure a broader economic base for Norway.

Norway was permitting a moderate pace of oil and gas production. Even so, the output of oil was still ten times its own rate of consumption.

Norway's policy would take account of the country's own economy and energy supply interests and also reflect the needs of other nations.

Mr. Gjerde's speech came at a time when the British and Norwegian Governments are considering extending their collaboration over North Sea gas collection.

One idea being discussed by officials is that unexploited gas fields in the Norwegian sector should be linked to pipelines on the British side.

The extra supplies of gas would be carried to the U.K. where the Norwegian portion would be separated and transported to the Continent via a new cross-Channel link.

Talks on this scheme are still at an early stage, however. Even if nothing comes of them, it is likely that small Norwegian fields close to the Frigg reservoir will be developed by means of the Frigg/St. Fergus complex.

The Frigg partners are believed to be considering installing compression facilities on their mid-line platform to cope with possible fresh gas supplies in the early 1980s.

Motor-cycle sales up

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

A STRONG recovery in the U.K. motor-cycle market led to a 12 per cent. increase in sales last month compared with the same period last year.

The figures have brought the first indication of a significant revival in the market since registrations began to decline about a year ago.

Although the industry accepts that sales this year will almost certainly be down on last year's, it is hoping that sales overall will be only about 5 per cent. below the 1977 total.

The biggest problem remains the slump in moped sales. The decline occurred after new speed regulations came into force last July, restricting mopeds to a 30 mph limit and so killing the market for sports models.

In the first quarter of this year sales of mopeds—vehicles of less than 50 cc—dropped by 56 per cent. compared with the same period last year. Last month, they were down by 44 per cent. to 3,443 units.

Total sales for the industry last month, including motor-cycles, scooters and mopeds, came to 20,692 units. This compares with 21,518 in April last year, giving an overall decline for the industry of only 4 per cent. despite the extremely heavy cut in moped sales.

Housing output recovers in March

By Michael Cassell, Building Correspondent

HOUSE BUILDING output made a marked recovery in March after the very poor February performance.

The Department of the Environment said yesterday that builders began work on 20,000 homes in March, against only 15,300 in the previous month — the lowest monthly figure. The March total was the highest since November.

Private sector house starts totalled 11,600, compared to 9,100 in the previous month and 11,000 a year ago.

Builders started work on 8,400 council homes, a rise of 2,300 units on the month before, but 3,400 down on the level achieved in March last year.

Total starts in the first quarter of this year were 12 per cent. down on the previous three months, but 1 per cent. higher than in the first quarter of last year.

Private homes

The number of homes completed in March rose to 23,100 from the February figure of 20,500. The completions a year ago totalled 25,700.

Public sector completions totalled 12,000, against 9,500 in February and 14,700 a year earlier, while the number of private homes finished remained at the February total of 11,000, the same figure as in March last year.

Completions in the first three months of this year were 7 per cent. up on the previous quarter, but still 5 per cent. down on the same period of last year.

The Department also released figures yesterday showing that an estimated 9,000 homes were demolished or closed during the first quarter through slum clearance action in England. The total was 11,700 in the same period last year.

Wheal Jane pit shut as Gold Fields cuts losses

BY PAUL CHEESERIGHT

PRODUCTION at the Wheal Jane tin mine in Cornwall stopped yesterday, and Consolidated Gold Fields, the owners, confirmed that closure of the mine, announced on April 26, would take place as planned.

"The prospects of an economic return at Wheal Jane are so uncertain that further investment in it cannot be justified," Gold Fields said.

Pressure from trade unions and local MPs, and a meeting between the company and Mr. Alan Williams, Minister of State for Industry, had raised hopes that a formula to keep the mine open might be found.

Certainly, the Government, having come round to the desirability of keeping the mine open for employment reasons, was prepared to continue talking this week. This suggests that the speed with which Gold Fields has acted has come as something of a shock.

Some keep on hoping. Mr. Harry Stevens, Transport and General Workers' Union secretary at Falmouth said he would be approaching Mr. Moss Evans, general secretary, to seek another meeting with Mr. Williams.

£8m. lost

It is believed that tentative interest in Wheal Jane has been shown by another mining group. Whether this could lead to a bid for the mine or whether the interest is confined to buying some relatively new equipment, is unclear.

A takeover bid seems unlikely. The major factor that has led Gold Fields to withdraw, at a loss of nearly £8m., is that the amount of tin available is less than once thought.

The turning point for Gold Fields was the closure of the neighbouring Mount Wellington mine, owned by Cornwall Tin and Mining. The two mines face each other across the Carnon Valley, near Truro. Both have had to cope with water seeping into the workings.

Once the Mount Wellington pumps are turned off, on Friday, Wheal Jane is faced with an extra water problem which can only be solved by extra expenditure. Running Wheal Jane at a loss, Gold Fields was not prepared to make this extra commitment.

The Government is understood to have offered Gold Fields some assistance in keeping the Mount Wellington pumps going, in addition to payment of the temporary employment subsidy. But there seems to have been no disposition to underwrite what could be continual losses.

Gold Fields discussions with the Government have failed to bridge the gap between the Government's concern about local employment and the Wheal Jane contribution to the balance of payments, and on the other hand, Gold Fields' concern with the longer-term profitability of the mine.

The immediate effect of Wheal Jane's closure, added to the earlier decision to close Mount Wellington, is to put some 800 people on to the labour market in an area where there is already 11 per cent. unemployment.

Expressing his concern, Mr. Stevens said "We don't want to get in the position where all we do is export miners."

Our Bodmin correspondent writes: Mr. David Penhaligon, the Liberal MP for Truro, is likely to raise the issue of the Wheal Jane closure in the Commons adjournment debate on Thursday.

Expressing his annoyance at the timing of the Gold Fields announcement, he said: "I was given to understand over the week-end that the talks would continue well into this week, and that some decision would be known about Wednesday.

"Even after this company announced publicly the closure of Wheal Jane, I got on to the Industry Department and was assured again that discussions were still going on."

Mr. Dennis Young of Gold Fields, said that the Department of Industry was told about the closure last Friday.

Half the workforce will be laid off on Friday, but there will be work for about 30 men on restoring the area to an agricultural state. This will take about a year.

Blunder by civil servants misled MPs

BY DAVID CHURCHILL

SENIOR civil servants in the Property Services Agency gave inaccurate information to a Select Committee of MPs in 1975 which was investigating over-manning and wastage in the Civil Service.

The civil servants had claimed in evidence to the Public Accounts Committee that substantial economies had been achieved in its southern region only because a considerable number of troops had been transferred to another area.

But Dr. John Gilbert, Minister of State for Defence, told the Commons recently that there had been no such troop movements.

However, the misinformation in 1975 effectively curtailed the committee's probe into why the scale of economies achieved in the Property Services Agency's southern region had not been found elsewhere.

Last night Mr. Leslie Chapman, 59, the former civil servant responsible for achieving the economies, claimed that this was further evidence of the way in which his former colleagues blocked his cost-cutting activities.

He was calling for a top-level inquiry into why these economies had been delayed or not implemented in other areas.

Big savings

Between 1967 and 1974 Mr. Chapman was head of the agency's southern region which is responsible for acquiring and maintaining all Government property spreading over five counties.

By rigorously evaluating all the agency's activities in the region he and his staff halved the number of directly employed labour and achieved savings worth about £12m. a year.

Mr. Chapman claims in a book published to-day, detailing his methods of cutting waste, that he had the backing of three successive junior Ministers for wider implementation of his cost-cutting programmes. But he says that senior officials delayed implementing the ministerial directives.

Eventually, at the beginning of 1974, he resigned from the Civil Service. Shortly afterwards, however, the Public Accounts Committee began probing into the reasons for southern region's success in achieving substantial economies.

In response to a question from the committee about why southern's record for economies was far better than that of any other area, Sir Robert Cox, the Committee's chief executive, included as part of his answer: "The southern region covers, among other things, the Aldershot area, and in the years immediately before 1969 there had been substantial re-deployment of military resources. There had been a lot of staff moving north."

Discrepancy

Dr. Gilbert said in a statement in the Commons last month that between 1965 and 1969 "no permanent transfers of major units from Aldershot took place during the period in question."

Over the same period he also disclosed that the numbers of both civilian and military personnel dropped by only 350, to 11,950.

The discrepancy in the statements came to light after a Parliamentary question from Mr. Mike Thomas, Labour MP for Newcastle Central East. Officials in the Property Services Agency found that an error had been made in previous internal investigations leading to the misinformation being given to the Public Accounts Committee. It was being stressed in Whitehall last night, however, that there was no question of the mistake being deliberate.

It was also felt that Mr. Chapman's allegations of his cost-cutting ideas being blocked by other civil servants against the wishes of Ministers did not give an accurate picture.

Other areas in the Agency were also carrying out economy drives at the same time as Mr. Chapman and were achieving substantial savings by different methods, it is claimed. It is felt that Mr. Chapman may have felt frustrated at not having his particular methods adopted unilaterally by the whole Agency.

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More merchant shipping laid up by lack of work

BY OUR INDUSTRIAL STAFF

A FURTHER rise in the volume of world merchant shipping laid up for lack of work has been reported by the General Council of British Shipping.

In March, this reached the highest recorded unemployed tonnage for nearly two years. The proportion of the British fleet idle has also risen.

At the end of March, 51.7m. deadweight tons, representing 742 ships or 8 per cent. of the world fleet, was idle.

The total was made up of 396 dry-cargo ships of 13.3m. deadweight tons, or 4 per cent. of the world dry-cargo tonnage, and 346 tankers of 38.4m. deadweight tons, 11 per cent. of the world tanker tonnage.

The British share of idle shipping rose by 500,000 dwt, to 39 ships of 3.8m. dwt, 8 per cent. of the merchant fleet, compared with 7 per cent. in February. Sweden had 38 per cent. of its fleet idle, Denmark 29 per cent. and Norway 28 per cent.

● Oil tanker tonnage fixed on time charters of 12 months or more rose in April to 2.1m. dwt from 924,142 dwt in March.

Bank 'had two exchange control black lists'

FINANCIAL TIMES REPORTER

THE BANK of England operated two black lists in its exchange control department, Mr. John Martin Wales, a suspended bank official, said during the dollar premium case at the Old Bailey yesterday.

The trial involves Mr. Wales, 42, of Hunt Mead Close, Chislehurst, and five other defendants who deny conspiring to obtain money dishonestly from authorised dealers in investment currency between August 1, 1975, and April 30, 1976.

The other defendants are Adrian James, 32, solicitor; Leonard Ash, 39, panel beater; Alfred Taylor, 61, builder; John Robson, 57, commodity trader; and Reginald Atkins, 50, company director.

The Crown alleges that profits of more than £1m. might have been made by some of the alleged conspirators out of the scheme to get dollar premium rebates illicitly on investment holdings if Scotland Yard had not been secretly tipped off.

Opening his evidence yesterday, Mr. Wales explained that he had worked at the Bank of England since 1957 and had been in the exchange control department since 1965, after being on duties that had frequently put him in touch with the Court of Directors.

He had been chairman of the Bank of England athletics club for six or seven years and had been treasurer of the Inter-Banks Athletics Association.

Until his suspension from duty before this trial, he had been a superintendent signatory in the exchange control department.

"But there are no circumstances in which I could myself have given authority that certain investments were dollar premium-worthy."

Questioned by his defence counsel, Mr. Robert Harman, QC, about Bank of England exchange control procedures, he said: "There were two black lists in the department.

"One was an internal memorandum which was a list of persons and firms, embracing for example individuals and solicitors, who were subject to penal restrictions under Section 40 of the Exchange Control Act, where obviously something had gone wrong.

"Our general instructions were that, in these circumstances, we should have nothing to do with any applications on their behalf.

'Less formal'

"In adition to that lists, there was a less formal list of names, giving individuals, companies, solicitors, stockbrokers, private individuals, security dealers, and all sorts of other people who were clearly under some sort of investigation.

"Our instructions were that we should not deal with any application involving names on this list without reference further up the chain of command."

Mr. Wales then explained that one of the firms of solicitors alleged to have sent him letters abou the dollar premium system was not on any blacklist, as far as he knew, so he treated any such inquiry in the normal way.

Mr. Wales tol dthe jury that, to the best of his recollection, he had never met three of his co-accused, namely, Mr. Holmes, Mr. Ash, and Mr. Taylor.

Earlier, Mr. Ash told the court there was never any intention, as far as he knew, to defraud the Bank of England, and the scheme was contrived by other people altogether to obtain money from potential investors quite unconnected with the dollar premium system.

In later evidence, Mr. Wales admitted that he had met the other two defendants, Mr. Robson and Mr. Atkins, but only briefly, after they had come to the Bank of England's exchange control inquiry counter, then adjourned to Balls Brothers Wine Bar nearby.

"I was signing 200 letters a week, and it would be humanly impossible to remember details of every inquiry," he added.

"But there is no truth in the prosecution's suggestion that I was taking a dishonest interest in their case."

The hearing continues to-day, with Mr. Wales still in the witness-box.

Textile exports win praise from Varley

BY RHYS DAVID, TEXTILES CORRESPONDENT

THE Government's commitment to maintaining a comprehensive textile and clothing industry in the U.K. was emphasised yesterday by Mr. Eric Varley, Secretary for Industry.

Mr. Varley was speaking at the opening of a £6m. spinning mill by Carrington Viyella at Atherton, near Manchester, the first new mill to be opened in Lancashire for at least 50 years.

He said that textiles still represented Britain's third largest manufacturing industry, with more than 800,000 employees and an output of £8bn. last year.

The industry also made a major contribution to the country's balance of payments, increasing its exports from £1.1bn. in 1975 to nearly £2bn. last year.

The importance of textiles as an employer and its significance to the economy as a whole were accepted.

Furthermore, the Government had shown this by the support it had given through the temporary employment subsidy—responsible for injecting more than £100m. into textiles and clothing to help secure jobs.

The new mill, largely equipped with machinery built by the U.K.-based Platt-Saco-Lowell group, will produce 45,000 kilos a week of blended polyester cotton yarn for use by Carrington Viyella's Dorma household textiles subsidiary.

It will employ about 100 people in single-storey premises, replacing two older multi-storey mills.

Mr. Varley, praising the company for going ahead with the investment, said: "We shall continue to be vigilant in monitoring imports from low-cost sources."

It was vital for the industry to maintain a high level of investment and to continue improving productivity in order to achieve greater competitiveness.

Shore extends city aid to 14 more districts

A FURTHER 14 inner city areas which are to receive increased powers to help regenerate local industries were named yesterday.

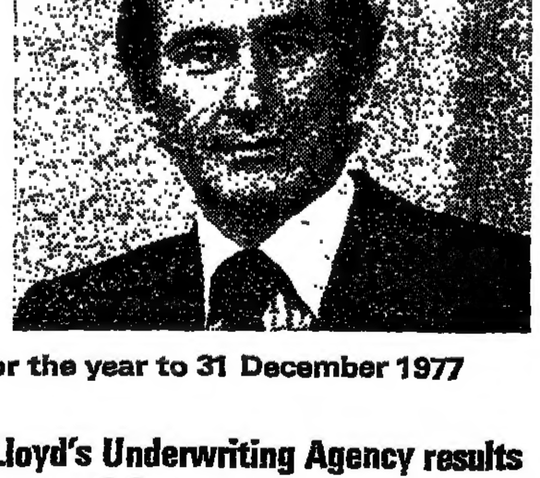
Mr. Peter Shore, Secretary for the Environment, said that the areas represented additions to the 29 partnership and programme districts already designated for aid under the Inner Urban Areas Bill, which is expected to have its second reading in the Lords next week.

The Bill provides for districts covered to make loans of up to 90 per cent. on commercial terms for the acquisition of land and for carrying out development works. They will also be able to declare industrial improvement areas and help companies.

Mr. Shore said that the 14 newly announced "third tier" of inner city areas to be helped would have the same status as the programme districts.

BP closes well

BRITISH PEROLEUM is to dismantle its single-well satellite structure WE on Block 48 in the West Sole gas field because the structure is reaching the end of its estimated life.



Greek book fetches £26,000

SALEROOM

BY ANTONY THORNCROFT

SOTHEBYS HELD the second part of its sale of printed books from the Broxbourne Library yesterday. It fetched £239,515, to add to the £702,245 total from the first part disposed of last November.

The Broxbourne Library was formed between the wars by the late Albert Ehrman and was named after the town where he set up home. It is devoted to illustrating the spread of printing in Europe.

Yesterday's sale covered towns alphabetically from Madrid to Zwolle, including the first editions printed in Metz, Mondovi, Nuremberg, Offenburg, Poschiavo, Rostock, Scandiano, Verona and Zwolle, all before the end of the fifteenth century.

The top price was £26,000, over five times the pre-sale estimate, paid for Erotemata, printed in Milan in 1476. It was the first book printed throughout in Greek and has the original goatskin binding. In the Earl of Lincoln's sale at Sotheby's in 1937 the volume sold for £355.

Breslauer, the New York dealer, bought a copy of the Saxon Chronicle of 1492, with hundreds of woodcuts, for £18,000, and a 1517 book by Melchior Pfintzing on the life of Maximillian I, also with many woodcuts, made £16,000.

Other high prices were the £11,000 from Breslauer again, for a map of the world by Pomponious Mela in 1471, which was the second book printed in Milan, and the £10,000 from Burgess, the London dealer, for a first printed edition of Cicero, produced in Mainz in 1465. All lists carry an additional 10 per cent. buyer's premium.

Some exceptional prices were also paid in a Sotheby's auction of gold boxes and objects of vertu which totalled £173,755. A gold and hardstone snuff box made in Dresden in 1777 by Johann Christian Neuber sold for £35,000 to a French collector. This is the highest saleroom price for the maker.

S. J. Phillips, the London dealers, gave £14,500 for a 19th century diamond and emerald zarf, a cup for Turkish coffee. A French gold snuff box of 1726 by Jacques Cottin sold for £7,800, and a Swiss gold snuff box made £5,200.

A large late Meissen dinner service, decorated in puce monochrome with a loose bouquet of flowers, realised £4,400 at Christie's yesterday in a sale of English and Continental ceramics which totalled £78,979. It was bought by Davies, the London dealer.

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HOME NEWS

Taxmen's 'new approach' attacked

BY DAVID FREUD

A CAMPAIGN against the Inland Revenue's "new approach" in verifying tax returns was launched yesterday by the Federation of Self-Employed.

The federation plans to help individual taxpayers fight cases where there is disagreement with the Revenue and institute local campaigns. It has already sent members a leaflet telling them how to handle interviews with tax inspectors,

The "new approach" was introduced at the start of last year so that the 1,200 inspectors dealing with verification of tax returns under Schedule D (self-employed) could work more effectively.

It restricts inquiries to cases where there is genuine concern that something is wrong. The inquiries are detailed and exhaustive.

Mr. Tom Tuite, assistant director in charge of the "new approach," said yesterday that since it started the number of cases in which the return had to be adjusted had fallen by half, but the amount of additional tax taken had risen.

More than three-quarters of accounts examined had needed adjustment.

The federation claimed that the Revenue was tackling one trader in eight each year, which meant that every self-employed trader would be examined by 1984. It had recevide a list of questions to be asked by a tax inspector covering a taxpayer's life-style.

The Revenue denied that there was a target. Schedule D taxpayers whose accounts were examined were never picked at random.

No official list of questions had been issued from Somerset House, although the list held by the federation could have been an "aide-memoire" compiled by an individual inspector for his own use, Mr. Tuite said.

Jobs-back scheme to aid MPs from industry

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

COMPANIES are likely to be urged soon to make it easier for their employees to become Members of Parliament by agreeing to re-employ them later and by protecting their pension rights.

The idea has been tried out in large companies such as ICI, Shell and BP. The object is to encourage more people with industrial and managerial experience to enter Parliament.

Leading industrialists believe that there are too few such MPs, meaning that industry's interests are not fully understood by the country's legislators.

The recommendation is expected to emerge from the Confederation of British Industry, which last autumn set up a working party on parliamentary representation under the chairmanship of Lord Carr, the former Conservative Minister, who is now a member of the confederation's council and chairman of its education and training committee.

ICI's scheme, which may be put forward as a model, was introduced last summer and built on existing arrangements for parliamentary candidates to have time off to fight elections.

It applies to all employees with five years' service and provides that when someone becomes an MP, he will be guaranteed re-employment for up to 10 years on at least the same terms as when he left.

This means he will be offered a job of the same or possibly better status and pay. If he accepts the offer and returns to ICI his period as an MP will be counted as pensionable service. Shell has a similar system, but with a limitation of two Parliaments or seven years, whichever is the greater, instead of ICI's ten years.

Lord Carr's committee was set up partly as a result of interest generated by these schemes. It is looking at ways of companies helping people to become members of local councils, the European Parliament, and any future regional assemblies, as well as the Commons.

Guidance soon

Lord Plowden of Tube Investments and Sir Leslie Smith of British Oxygen are members of the committee, which includes supporters of both main political parties.

It has commissioned a survey of the attitudes and practices of some 500 companies and will shortly be preparing its report for presentation in a couple of months to the Confederation's council. It is hoped that guidance will then be issued to member companies.

The survey has shown that a large number of companies believe that their employment policies should include positive help for would-be MPs, but that few have been developed so far.

It is also probable that the largest companies, rather than those with only a few thousand employees, will be most interested because the smaller concerns are less likely to think they have sufficient managerial talent to spare.

Lord Carr's committee is also consulting the political parties, most of which seem to believe that Parliament would benefit if company schemes encouraged both experienced and mature people to try to become MPs.

Issues that the committee will soon tackle include whether a company should go further than ICI and Shell and top up an MP's salary, which is just under £7,000 a year.

This could lead to allegations of conflicts of interest, especially if an MP gained parliamentary or ministerial posts, as could any attempt by the company regularly to brief its MPs.

Some industrialists are also loth to commit themselves to helping people to become MPs for fringe political parties such as the National Front or far-Left groupings, and there are also differing views about the length of period that any re-employment guarantees should last.

Help for rural businesses

FINANCIAL TIMES REPORTER

NATIONAL WESTMINSTER BANK and the Council for Small Industries in Rural Areas are to co-operate to promote small countryside-based businesses. The bank will provide increased finance to applicants directed to it by the council.

Loans for capital expenditure, subject to a normal credit assessment, will be more readily available with a repayment programme of up to seven years. Overdraft facilities can be provided for working capital requirements.

Arrangements will be made for loans between £1,000-£30,000. Interest rates will be subject to negotiation and will depend on the financial circumstances of the particular client.

The Council aims to set up self-supporting and prosperous communities. To this end it co-ordinates the efforts of several organisations and is particularly interested in promoting small businesses, to which it gives advice and technical aid.

Small industries are usually defined as those employing not more than 20 skilled people, and rural areas as including country towns up to 10,000 population.

Businesses providing extra or improved accommodation for tourists in the rural parts of development areas are eligible for assistance. Agriculture, horticulture, professional firms, retail trades and statutory authorities do not come under the Council's purview.

Second opinion sought on Lloyd's audit

By John Moore

MERRETT DIXEY Syndicates, the Lloyd's of London underwriting agent, has asked for a second opinion on an audit for the 1975 account of the troubled syndicate number 762 of Mr. Frederick Sasse.

This surprise move follows the takeover last week of all the Sasse syndicates by Merrett Dixey. Syndicate number 762 still remains suspended at Lloyd's until questions about its solvency are sorted out. It ran into difficulties last December when it became clear that a Brazilian reinsurance group was not prepared to settle claims under a reinsurance contract on 1,300 property risks in New York. Since then the claims have been mounting.

The fresh audit, to be conducted by Lloyd's panel auditors Baker Sutton, will be covering a period already examined by another Lloyd's panel auditor de Paula Turner Lake for the syndicate—that of the 1975 account.

Just over two weeks ago the 109 members of syndicate number 762 were asked for a cash payment by Mr. Sasse, not only to cover the severe burden caused by the dispute with the Brazilian reinsurers for the accounting years 1976 and 1977 but also for the 1975 account. Mr. Sasse explained that "unfortunately both the settlements and outstanding claims notified during the third year of the 1975 underwriting account were higher than anticipated and as a result there is a loss on the closing of the 1975 account."

A further cash payment for the 1975 account alone of about £6,000 was requested from a member who had underwritten a share of the premium of £40,000.

The new audit will not change the deadline for payment for this amount, which is due on May 19.

Enterprise Board worried over access to its books

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

PARLIAMENT'S Public Accounts Committee remained at loggerheads last night with the National Enterprise Board over the question of whether the Comptroller and Auditor General should have "untrammelled access" to the Board's books.

Sir Leslie Murphy, the Board's chairman, said he would not be able to operate commercially under the constant examination by the Auditor General, who is responsible for carrying out the Committee's investigations.

At a hearing of the Committee last night he added that one foreign company now in talks with the Board about a subsidiary "would run a mile if all these things you are talking about were to come to pass."

But despite this firm opposition from Sir Leslie, fully backed by the Department of Industry's top civil servants, the Public Accounts Committee showed no signs of being diverted from its wish, stated at a earlier hearing last week, to have an Auditor's General's examination. The matter will now rest till the Committee prepares its next report in a few months time when it will put forward its recommendations about what should be done.

Last night's hearing of the Committee, which lasted more than an hour, was at times ill-tempered and testy. The central point was that Mr. Edward Du Cann, the Committee's chairman, considered that there was at present "no parliamentary accountability" for the Board.

On the other hand both Sir Leslie and Sir Peter Carey, the Department of Industry's permanent secretary and as such the Board's accounting officer, felt that there was sufficient accountability through the Department and its Secretary of State, Mr. Eric Varley.

But this was not sufficient for the Committee's MPs who are using the recent creation of the National Enterprise Board—and of the British National Oil Corporation—to examine ways of improving the accountability of state-owned concerns. They want to remedy what they regard as a lack of sufficient accountability by the older nationalised industries.

Mr. Du Cann started the hearing last night by stressing that there was "no confrontation" between his Committee and the Board.

During the exchanges Sir Leslie said that Rolls-Royce, which is owned by the Board, had "some lean years yet to come." There was not an immediate prospect of a "great upsurge" in the company's profits.

Hold-up mars record by Flying Scotsman

BY LYNTON McLAIN, INDUSTRIAL STAFF

THE NEW Flying Scotsman service from Edinburgh to London operated by the 125 miles an hour high-speed train was 13 minutes late arriving at King's Cross yesterday, but still set a record between the two cities.

The new fastest journey time between Waverley Station, Edinburgh, and King's Cross should have been 4 hours 50 minutes. But engineering work between York and Doncaster delayed the 10.10 a.m. train to London. Last Friday the journey would have taken at least 5 hours 30 minutes.

Yesterday's performance was also marred by the late delivery of two high-speed train sets. This left four gaps in the planned service of 16 high-speed journeys each day between London and the north-east of England and Scotland.

The trains would be ready in a few weeks, British Rail said. The main problem had been the late delivery of two kitchen cars from Western Region.

During its record run south the Flying Scotsman almost repeated the record run of the Mallard steam engine in 1938. This reached 126 miles an hour down Stoke Bank, between Grantham and Peterborough.

But the high-speed trains would maintain 125 miles an hour over long stretches, including going up the long gradient of Stoke Bank, British Rail said.

Coke works face closure

Financial Times Reporter

TALKS BEING held between the National Coal Board and the British Steel Corporation may lead to the closure of one or more of the Coal Board's coke works.

The two organisations have agreed that British Steel will take 1.25m. tons of coke over the next five years, less than half the amount which the Coal Board had hoped to sell to it.

It will also take about 14m. tons of coking coal in the coming year, more than 3m. tons less than its previous consumption.

The continuing depression in the U.K. steel industry is one of the main worries for the Board, which faces a problem of how to dispose of the extra coal produced by the successful miners' incentive scheme.

Key Markets to sell discount stores

BY CHRISTINE MOIR

KEY MARKETS, the food retailing subsidiary of Fitch Lovell, is to pull out of discount food stores and concentrate entirely on its supermarket operations and the expansion of its superstores.

In a deal announced yesterday, it has agreed to sell its KD Discount division to Hillards, the Yorkshire-based supermarket group, for £1.05m.

Included in the sale are 17 discount food stores plus 30,000 square feet of warehouse facilities. A further sum, possibly of the order of £1m., will also be paid for stock once a valuation has been completed.

Yesterday's sale agreement comes less than a year after the last annual statement by Mr. Michael Webster, chairman of Fitch Lovell, which described the opening of 14 new KD discount stores, bringing the total to 18. At the time he stated that group policy was "to expand this division rapidly" and spoke only of the difficulties of acquiring sulable sites.

The company said yesterday that since then it had met serious difficulties in finding sites. The "High Street War" had "narrowed the margin gap on which the discount sector is based."

KD had made a contribution to the group during the year, but it was still in the experimental stage and, given prevailing conditions in the industry, the group decided to concentrate on areas of established expertise.

Next year Key Markets plans to increase its supermarket and superstore space by 100,000 square feet and maintain that expansion rate thereafter. In recent months Key Markets has its joint venture with Lewis's on the "Super Key" superstore at Northampton.

Hillards believes that the purchase of KD gives it a planned geographical diversity and expands its interests beyond the existing retail business. KD will be developed separately from Hillards and will possibly trade under another name

Customers 'find small shops more convenient'

MORE SMALL modern shops were needed, Mr. Tom Lynch, president of the National Union of Small Shopkeepers, said yesterday at the union's annual meeting at Llandudno. Customers wanted a return to more convenient shops.

Supermarkets were booming not because they were cheap, but because there was no alternative.

"Britain is under-shopped in the highways and byways. More small modern shops would help the housewife to avoid having to walk long distances to shopping precincts.

Shopkeepers looked to local authorities to help protect them against unfair competition. Under this heading he included Sunday markets, and sales from mai-order catalogues.

"Local authorities should not allow houses to be used for any business purposes, such as selling from catalogues and tupperware parties. They should circularise all houses throughout the country advising them that no business should be carried out."

MISS MILDRED HEAD, president of the National Chamber of Trade, said yesterday that prospects for small shopkeepers had improved sharply.

She told the annual meeting of the chamber in Llandudno that the small shopkeeper could remain a significant force in U.K. retailing, despite price cutting and diversification by the big chain stores.

Even the largest retailers were now acknowledging the importance of the specialist shop. There was a growing tendency towards "stores within stores," and large c hain stores increasingly preferred to keep family names on shops acquired

Change hospital food system, Tories urge

HOSPITAL meals should be taken out of the hands of hospital boards and entrusted to independent caterers, a Scottish Conservative Party report suggested yesterday.

The report, containing the findings of a survey by the Scottish Conservative Women's Organisation, said that hospital food came in for a great deal of criticism.

"It was suggested that hospital catering should not be part of the hospital board's responsibilities. It should go out to independent tender in order to get efficient catering management.

"Waste is colossal, mainly because the food is often unsuitable, and invariably unimaginatively presented in unappetising and over-large helpings.

"When people are ill, small portions of attractively cooked and presented

CONTRACTS

Coal grading plant ordered

COAL PREPARATION plant valued at £3.6m. is to be installed at Rawdon Colliery, Yorks., by the mechanical process division of GEC MECHANICAL HANDLING, under a contract from the National Coal Board.

Coal will be received from Donisthorpe and Rawdon mines, and the combined run-of-mine feed to the plant will be 600 tonnes/hr. The plant will grade and wash the coal, and convey it to road and rail loading bunkers. Commissioning is scheduled for August next year.

★

THE DEACON GROUP, of Tunbridge Wells, has started work on a £4m. contract to provide the UDS Group with a departmental store in Chatham, Kent. The building will be let to UDS by Fraser Wood Properties, part of the Deacon Group. The store will have four floors, plus rooftop plant rooms, and High Street frontage. It will trade under the name of Allders.

★

THE NATIONAL Coal Board's Opencast Executive has placed an order worth about £2m. with EUC TRUCKS for ten R-35 Euclid dump trucks for use on the Blindwells site in Scotland. Each truck can carry more than 50 tons.

★

Tyne and Wear Metropolitan County Council has placed a £1.73m. contract with HEENAN ENVIRONMENTAL SYSTEMS for the supply and installation of the mechanical and electrical sections of a reclamation plant to which the Department of the Environment have contributed both technically and financially at Tyne and Wear's Byker site in Newcastle-upon-Tyne, where 300 tons of waste will be received and processed daily. The plant will produce waste-derived fuel as pellets for use in conventional solid fuel boilers. Ferrous metals will be separated and baled for sale.

★

Structural steelwork worth more than £870,000 is to be supplied by GRAHAM WOOD STRUCTURAL to the British Gas Corporation for its Isle of Grain, Kent, liquified natural gas facility under a contract from Motherwell Bridge Engineering. The work, over a nine-month period, includes fabrication, supply and erection of structural steel supports and associated flooring for pipework forming part of the plant.

★

J. and J. FEE, of Halifax, have obtained five building contracts totalling over £1m., of which the biggest is for 52 dwellings at Cottingley for Bradford Metro. District Council at £610,000.

★

LEYLAND and BIRMINGHAM RUBBER CO. (BTR group) has won a £130,000 contract with the Post Office for the supply of industrial respirators. The "Baxter Pneu-seal" respirator is used where dust or chemical particles present a health hazard. The electrostatically-charged fine filter removes dust particles in the range of 0.2 to 3.0 microns.

★

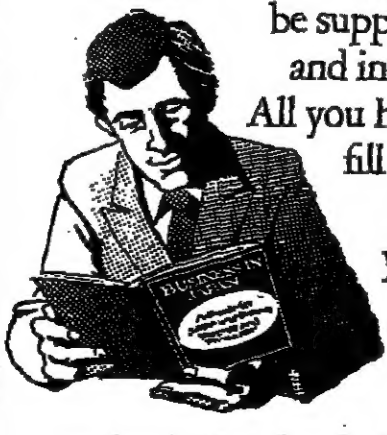
Construction work, mostly school buildings in the Midlands, but including a health centre, waste reclamation plant, and an activity centre, worth over £4m., is being undertaken by A. and R. ASTBURY, of Cannock. Largest job is Cheslyn Hay High School at over £1m. for Staffordshire County Council.

★

DRAKE and SCULL ENGINEERING is upgrading the electrical services in part of a seven-storey office block in London, under a contract worth about £150,000. It covers that portion of Furness House, Fenchurch Street, occupied by The Furness Withy Shipping Group. Work is scheduled for completion by August. Main contractor is Ashby and Horner.

★

Cumbernauld Development Corporation expect work to start this month on the construction of 12 nest factories in the Wardpark North industrial area of the new town. The contract worth £426,000 has been awarded to the Glasgow company, LAWRENCE CONSTRUCTION.



With the Ulster Unionists ranged against Budget policy . . .

Healey warns on effect of 1p income tax cut

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A WARNING that a cut of one penny in the standard rate of income tax could mean in increase in the National Insurance surcharge paid by employers was given by Mr. Denis Healey, Chancellor of the Exchequer last night as the committee stage battle on the Finance Bill got under way in the Commons.

The Chancellor—replying to the Conservative amendment seeking to reduce the basic rate of income tax from 34p to 33p in the pound—also hinted that such a move could mean an increase in company taxation and higher stamp duty.

Moving the amendment for the Conservatives, Sir Geoffrey Howe shadow Chancellor, claimed that there was no need for any increase in the National Insurance surcharge which, he said, would amount to a tax on jobs.

Sir Geoffrey said that the cost of a penny reduction would mean £300m. in the current year and £370m. in a full year. He described the amendment as a "token reduction" heralding the further changes that the Tories would make in return to power at an election.

According to Sir Geoffrey, the cost of the tax cuts could well be met by appropriate reductions in public expenditure or the adoption of the Conservative proposal for a ten per cent. flat rate for VAT.

He argued that expenditure cuts were perfectly feasible as Mr. Healey, having cut public expenditure by £4bn. over the past two years, had now increased it by a similar amount in the present Budget.

If the Chancellor refused to accept this, then Sir Geoffrey once more challenged him to let the people decide the issue at a General Election as soon as possible.

But Mr. Healey dismissed the Conservative proposal as "an irresponsible and electioneering amendment." He pointed out that the Liberals had suggested an increase in the National Insurance surcharge as a way of paying for the penny tax cut, despite the administrative difficulties that this would involve.

"It may be possible, in spite of difficulties, to find something here." Mr. Healey added. "This is one area where I recognise that the present burden in Britain is considerably lower than most countries in the European Community."

In addition, he said, Sir Geoffrey had failed to mention two other possibilities—"an increase in company taxation, for example, or an increase in stamp duty for those who can best afford it.

"Action in any of these fields would be undesirable. It would be a consequence I would prefer to avoid. All I can claim is that action in this area would be less damaging socially and economically than actions in the areas recommended by the Conservative opposition.

"I don't want to take such action but I have an inescapable responsibility for the economy and finances of this country and I shall not shirk it."

Ashley Ashwood

Mr. Healey dismissed the Tory proposal as "irresponsible and electioneering."

Mr. Healey dismissed the Conservative proposal for a higher rate of VAT on the grounds that it would increase prices "at a stroke" and jeopardise the hopes of keeping inflation down in the coming year.

It would cancel out any advantages for the average family which the cut in the basic rate of tax might have and would impose additional burdens on the lower paid.

The Chancellor told the House: "If the committee did decide to approve the reduction and the House upheld this decision, then the Government must, of course, accept that decision and would do so, although we believe it is wrong.

"The Government would, thereafter, watch the situation closely as regards the development of the economy in the coming months and as regards any further irresponsibility in the Finance Bill debate."

The outlook for the public sector borrowing requirement was inevitably uncertain. But if it seemed likely to exceed the £8.5bn. laid down in the Budget, then the Government would take the necessary steps to correct it.

The cut of a penny in the basic rate would, for administrative reasons, take effect by late autumn at the earliest. It would then involve payment of six months' tax rebate in October or November.

This would have two consequences. "First, there would be a sudden increase in purchasing power and demand for resources at a time when the economy may already be growing at a rate close to capacity so that it sucks in imports and creates jobs abroad instead of in Britain.

"Secondly, the payment of the rebate in October or November would bring a large increase in the central government borrowing requirement with immediate effect on the growth of money supply and of the PSBR.

"I believe the committee would be highly imprudent to take measures now which would have consequences in six months' time which might be seriously damaging to the sustained growth of the economy and our hopes of keeping inflation under control."

Mr. Healey added that he could not guarantee that the consequences would be as he had described. The Conservatives would not have asked the House to accept such an amendment except in an election year.

"All of these risks will increase if the irresponsibility of the Opposition leads to further losses of revenue as the Finance Bill moves through the House," he declared.

The Chancellor rejected all the proposals which had been made in an earlier debate by Sir Geoffrey for compensatory cuts in public expenditure to cover the tax reduction. These proposals, said Mr. Healey, "crumble in your hands" when examined.

Sir Geoffrey's proposal to cut back the increase of £300m. granted to the National Enterprise Board would bring NEB activity to a complete halt later this year. It would deny British Leyland and funds beyond the £450m. recently authorised and throw 100,000 people out of work.

If the money was clawed back, the NEB would also have to stop support for Rolls-Royce just at the moment when a huge American airlines order was to be won.

The proposal to cut £41.5m. in selective assistance to industry would be impossible because the funds were already committed.

Sir Geoffrey had also proposed a saving of £150m. on municipalisation and the Community Land Act but, in fact, said Mr. Healey, the total savings possible in these areas were far less than that.

There had also been suggestions for cuts in transfer payments. This would mean cancelling the increase in child benefit, an increase in school meal charges and refusing the rise in pensions during November. He supposed that this was what the Opposition really wanted.

Liberal spokesman Mr. John Pardoe said his party had come to the view that income-tax was generally a bad tax in modern circumstances. It was certainly a bad tax at its present levels.

Britain would inevitably have to harmonise with her European competitor countries and take more from taxes on spending and less from taxes on income.

There was a "very strong public health argument" in favour of higher taxes on alcohol and tobacco. It was a responsibility the Chancellor had not shouldered because he believed the price index arguments were greater than public health.

Mr. Pardoe described the one-penny cut as "not a major reform of the tax system." It was a step in changing the balance between tax on income and tax on expenditure.

Our duty is clear, says Powell

BY IVOR OWEN

ANNOUNCING the decision of the Ulster Unionists to go into the lobby against the Government on the income-tax amendment, Mr. Enoch Powell (Down S) emphasised that they had mainly been influenced by political rather than economic reasons.

It was only in the closing passage of his 14-minute speech that Mr. Powell—with the crowded chamber closely following his every word—indicated the direction in which the Ulster votes would be cast.

"This is a matter of political will more than a debate on economic judgment," he declared.

Mr. Powell explained that from the beginning of the present Parliament, the Ulster MPs had decided that they would use their voting powers to redress the political injustices suffered by Northern Ireland.

The decision already taken to increase the number of Ulster MPs in the House of Commons had been a step forward, but last week's local Government elections in other parts of the U.K. had underlined another damaging deficiency. Northern Ireland did not enjoy the benefit of democratic local Government.

A hint that the Government—if not immediately, then on some other occasion—might be able to persuade Mr. Powell and his colleagues to take a different course came when he conceded that democratic local government could not be established in Northern Ireland overnight.

"We would not expect more than a beginning," he said. All that was required was an earnest of the Government's intention to remedy what was perhaps the second most keenly felt political injustice in Northern Ireland. But, so far, there had been no sign from the Government.

Because of this, said Mr. Powell, he and his colleagues felt that they would not be discharging their duty to their constituents if, by supporting the Government in what was an essentially political matter, they ignored their prime duty and cost their votes in support of the Chancellor.

"We fell that our duty at this point, in our circumstance, is clear, and there will be no derogation of economic or political responsibility when we vote against the Government."

Wave research verdict soon

A DECISION on the future of Government research into wave power is to be made shortly, Mr. Alex Eadie, Energy Under-Secretary, said in the Commons yesterday.

Mr. Eadie said the present wave power programme, due to finish later this year, had been making good progress. Two of the devices under study had progressed to trials in open water, at one-tenth of working scale.

Replying to another question, Mr. Eadie said that research programmes into other renewable sources, such as wind, tide, solar, and geothermal energy, were now well under way. Assessment studies had been made and published.

But he warned that it would not be responsible to pretend that energy from such sources would be capable of sustaining a domestic economy, let alone an industrial economy. "It won't solve the problems of energy provision in this century, and may be only a little better in the next."

Rodgers sees no easy answer to PLA crisis

BY IVOR OWEN, PARLIAMENTARY STAFF

PRICE, WATERHOUSE have been called in by Mr. William Rodgers, Transport Secretary, to advise him on the financial forecasts made by the Port of London Authority which lost £8m. last year and has been said by its chairman, Mr. John Cuckney, to be heading for effective bankruptcy.

The Minister warned in the Commons that no easy solution was to hand in the crisis facing the PLA. He had advised the chairman that any proposals from his board should be designed to chart a path to viability and a secure future.

While stressing that the Government has no executive authority over the PLA, Mr. Rodgers, with Mr. Peter Shore, the Environment Secretary and MP for Stepney and Poplar at his side, said he was considering with other Ministers by what means the Government could assist the Authority.

A suggestion by Mr. Peter Viggers (C., Gosport) that the final solution would have to include the closure of the upper docks—"the only question is when will they be closed," he insisted — brought an angry response from Labour's dockland MPs, who called for an intensive effort to revive trade on the Thames.

Mr. Rodgers refused to be rushed into any hasty conclusions. No proposals for closing the upper docks had reached him from the PLA and he was not prepared to give any indication of what his attitude would be should they materialise.

But in saying earlier that there was no easy solution, he stressed: "We are very fully aware of the industrial, social and environmental aspects of the problem."

Mr. Robert Mellish (Lab, Bermondsey) summed up the view of dockland MPs when he criticised the record of the PLA and pointed to the contrast between the "dead" river and choked and jammed roads as an illustration of the lack of adequate policy.

"We are now faced with the situation where mile upon mile of the greatest river highway in the world is derelict and bankrupt." If necessary, said Mr. Mellish, smaller units should be used to bring life back to the Thames.

Mr. Rodgers acknowledged the strength of feeling among dockland MPs and agreed that the decline on the Thames and in the Port of London had been tragic "with very far-reaching consequences."

He was sure that any analysis and decision on the problem must take account "of our wish to see the river flourish and regain as much traffic as possible."

Mr. Peter Temple-Morris (C., Leominster) asked why the Government had taken no action whatever until all was collapsing around them. The problem first arose two years ago and since then £16m. had been paid out in extra loans alone.

Amid Labour protests, he declared: "The hereditary docker, like the hereditary peer, now at least has to contribute towards earning his living"

Mr. Rodgers replied that this was not a helpful contribution towards solving the problem.

After again underlining the limited extent of Ministerial power over the PLA, he stated: "This has been a developing situation and has only been brought sharply into focus by the present chairman, who was appointed last autumn and revealed to me the present state of affairs within the last month."

Mr. Norman Fowler, shadow Transport Secretary, asked if the Government accepted Mr. Cuckney's view that the Port of London would have to be slimmed down very substantially.

If this were done, he said, there was no reason why the Port, based on Tilbury, should not prosper. "This is a time for decisions, and the decisions clearly have to be tough."

Mr. Rodgers agreed that with the Port "on the edge of bankruptcy," the decisions would have to be made as quickly as possible.

In the House of Lords, Lord George-Brown described the PLA as "a bankrupt authority, trading, I submit, illegally."

Shore explains Government backing for nuclear report

BY DAVID FISHLOCK, SCIENCE EDITOR

THE GOVERNMENT has formally accepted all the recommendations of the Parker report on Windscale in preparation for next Monday's debate on its special development order authorising the £600m. nuclear fuel project.

If, as expected, MPs again vote in favour of the Windscale project, the way will be clear for British Nuclear Fuels to sign contracts this summer for £900m. worth of overseas nuclear business.

The Parker report on last summer's Windscale inquiry, published in March, rejected all 17 objections raised against the project during the 100-day inquiry and accepted all 13 arguments presented by BNFL for the project.

In a written Commons reply yesterday, Mr. Peter Shore, Secretary for the Environment, who ordered the inquiry, acceded to MPs' requests for a detailed reply to the recommendations of the Parker report.

Twelve of the 16 recommendations—those addressed to BNFL itself and to the Government calling for changes in the way it controls or monitors safety—are accepted unconditionally.

They include the recommendation that BNFL should put greater effort into reducing emissions of radio-active krypton-85 gas from the new reprocessing plant—a point on which the project has been publicly criticised by a leading U.S. epidemiologist since the report was published.

Mr. Shore said yesterday that it would be made a condition of authorisation for the project that the company should design it so that a krypton clean-up plant could be added "if reasonably practicable."

Another recommendation accepted by the Government is for more facilities for whole-body monitoring of any members of the public who fear that they may have picked up radioactivity released by the new plant.

Mr. Shore said the Government also accepted entirely the underlying purpose of another three recommendations, relating to more fundamental organisational changes.

He has already announced that he will be setting up a new advisory committee on nuclear waste. Yesterday, he said that the Government accepted the principle that security measures should be verified independently of anyone involved in their design and or operation.

The Windscale report recommended a single inspectorate to take responsibility for all radioactives discharges. Mr. Shore said: "Pending the Government's decision on the unified pollution inspectorate recommended for England and Wales in the fifth report of the Royal Commission, the Radiochemical Inspectorate of my department will, in collaboration with the Ministry of Agriculture, Fisheries and Food, be responsible to Ministers for the tasks described by the inspector."

It is thought unlikely that the Government will, in fact, agree to a unified pollution inspectorate.

The last of the 16 recommendations, namely, that outline planning permission should be granted for the project, was formally rejected by the Government when the report was first published, but was replaced by the special development order on which MPs will be voting on Monday.

Labour finds re-selection formula

BY RUPERT CORNWELL, LOBBY STAFF

LABOUR HAS taken a big step towards settling one of the most devisive issues between Left- and Right-wingers — whether sitting MPs should automatically undergo re-selection by their local party before each general election.

A compromise formula was accepted last night in the face of some opposition by Transport House's organisation sub-committee. It will now go before the full National Executive Committee, probably later this month, where its chances of success look bright.

The split between the Left, which has favoured re-selection, and Labour's Centre-Right which has opposed it, has bedevilled the party for some while and threatened to cause a damaging row at a possible delicate juncture just before the next election.

The new idea—significantly devised by a Left-winger, Mr. Joe Ashton, MP for Bassetlaw—calls for each member of Parliament to be reaffirmed by a special meeting of his constituency general management committee between 18 months and three years after his most recent election.

Only if this resolution is defeated will the MP face a full-scale re-selection confernce at which he will have a place on the short list, of right. He will also be entitled to appeal to the NEC against an unfavourable verdict, although purely on the grounds of a technical breach of party rules.

At last night's meeting, a move to switch at once to automatic re-selection was rejected by ten votes to three, with the only support coming from three Left-wingers, Mr. Nick Bradley, Mr. Frank Allaun, MP for Salford East, and Miss Joan Maynard (Sheffield, Brightside).

The final decision to send the Ashton solution forward to the NEC was taken by 9 votes to 4, with the additional opposition of Mr. Eric Heffer, the Left-wing MP for Liverpool, Walton.

The compromise offers something to both sides, but inevitably will be seen as more of a success for the moderates and the unions, their new allies in matters of Labour Party organisation, who have been fearful that re-selection would permit Left-dominated local committees to throw out sponsored MPs.

But equally important was the argument that an MP, once disowned by his constituency, would feel no need to remain loyal to the party at Westminster, with possibly devastating effects for Labour in office.

At the same time, the formula will offer some recognised chance of ejecting an inadequate MP without the instant counter-charge of infiltration by extremist agitators.

Oil tanker like rogue elephant on loose—MP

THE OIL tanker wrecked off the Norfolk coast is careering up and down like a rogue elephant on the loose, Mr. Anthony Fell (C., Yarmouth) said in the Commons yesterday.

Mr. Stanley Clinton Davis, Trade Under Secretary had told him that the week-end collision involving the Greek oil tanker Eleni V and the French merchant vessel Roseline was to be investigated by the French and Greek authorities.

Mr. Davis said that pollution so far was not particularly serious and nothing like as serious as the Amoco Cadiz situation. He hoped local authorities would be compensated through insurance schemes.

Replying to an emergency question, Mr. Davis said that the Eleni V had been cut in two about one quarter of the way from its bows. "The larger after-section is under tow and is off the Hook of Holland, awaiting entry to Rotterdam.

"The smaller forward-section tilted through rather more than 90 degrees, to leave the bows almost vertical with about 20 feet above and some 80 feet below water.

"Given the condition of the forward-section and in view of some deterioration in the weather outlook, at about Sunday midday it was decided to attempt to beach the forward-section off Yarmouth, in a reasonably favourable position for further salvage operation."

Mr. Davis added: "Unfortunately, the forward-section swung on touching the bottom this morning, and the tow line parted. The last report I have is that after drifting south, the section has grounded on Corton Sand, about three miles off Lowestoft.

"A Trinity House vessel and four tugs, including two equipped for spraying, are in attendance, and are seeking to secure a line to that section.

"The Eleni V was carrying some 16,800 tons of heavy fuel oil from Rotterdam to Grangemouth, including approximately 5,000 tons in the forward-section.

"My department's anti-pollution organisation was activated immediately after the collision. A helicopter reconnaissance on Saturday afternoon, in poor to moderate visibility, located only one oil patch of any size. Reconnaissance flights are continuing.

"By midday on Sunday, eight spraying vessels were in operation off Yarmouth, with a naval vessel acting as on-scene commander, and succeeded in breaking up the patch into smaller slicks. Ten spraying vessels are there at present"

Some oil had come ashore that morning on fifteen miles of coastline between Winterton and Lowestoft. "At worst, it is about 25 feet wide but in most places it is in patches. The local authorities are satisfied that they are coping with this oil."

Mr. Davis said: "I am very conscious that the remaining oil on the forward-section—perhaps 3,000 to 4,000 tons—represents a potential pollution risk. Our objective is to remove this threat of pollution as soon as this can practicably and safely be done.

"The French authorities have put in hand an inquiry into the conduct of the master and crew of the French ship and it is also hoped to take evidence from the personnel of the Greek ship."

Mr. Fell called for revision of Government plans for dealing with wrecks around the shore. Key personnel should be despatched to the area so they could make decisions on the spot.

If a decision had been taken yesterday morning, when he was on the scene, instead of more than two hours later, the weather would still have been moderate enough to deal with the wreck. "As it is, the wreck is careering up and down th coast of Norfolk like a rogue elephant on the loose," he declared.

Mr. Fell called for Government assistance to help local authorities clear up polluted beaches before the start of the summer season in four weeks.

Mr. Davis assured him that the chain of authority for dealing with oil spillages had been well thought out. "There is a principal officer on the spot, and if an emergency arises he has full authority to take a decision without reference to London."

The salvage operation was difficult, protracted and expensive. "At the moment, were are trying to put a line on the wreck in order that it can be salvaged, so that the oil can be pumped out or dealt within some other appropriate way."

Mr. Davis also said that the collision appeared to have happened in international waters.

SNP likely to drop oil as main platform

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MORE EMPHASIS on the alternative economic strategy proposed for Scotland by the Scottish National Party, rather than on the benefits from North Sea oil, is likely after the party's annual conference later this month.

Mrs. Margo MacDonald, SNP senior vice-chairman, said yesterday that oil had lost some of its appeal for Scottish voters. "The oil card has been played very heavily by the Government. But people are not so foolish that they do not realise unemployment queues are growing and that prices are not going down."

She added that the SNP had not been successful in projecting its own policies for managing Scottish resources, which did not depend on oil revenues.

Mrs. MacDonald was introducing a document setting out the party's economic strategy for an independent Scotland, which will be presented to the annual conference.

This calls for an attack on unemployment and inflation through industrial investment aimed at encouraging import substitution, reform of the tax system, a slowing down of the depletion of oil reserves and the development of a new financial system based on a separate Scottish pound and a Scottish central bank.

Professor David Simpson, chairman of the SNP economic strategy committee, said that a Scottish Government would identify the growth sectors in the economy and give them priority in terms of aid.

He hoped for increased investment in petro-chemicals, particularly plastics, special steels, food processing, the manufacture of specialist engineering goods, particularly for the oil industry, and specialist shipbuilding.

Mr. Simpson said that the policy did not depend on oil, although oil revenues would make it much easier to achieve.

BBC TV crime series subversive, says Peer

A LEADING Tory peer yesterday condemned the recent BBC "Law and Order" television crime series as "subversive propaganda masquerading as the truth."

Lord Elton, from the Opposition front bench, demanded an assurance that "subversive propaganda does not shelter behind the cloak of the BBC charter."

Lord Harris, Home Office Minister of State, agreed that the content of some of the programmes was, to say the least, unhelpful. He recognised the force of feeling that had been expressed and would ensure that the BBC's governors were left in no doubt on the matter.

There was a difficult balance between free expression and the requirement that public confidence in the law and order services should not be undermined.

APPOINTMENTS

Leyland Vehicles post

Mr. David Kimbell has been appointed director of the overseas division of LEYLAND VEHICLES, formerly Truck and Bus. He will be responsible for sales, marketing and service activities in countries outside Europe. Formerly marketing director for the overseas division of Leyland International he will continue to operate from London but will report to **Mr. Des Pitcher**, managing director of Leyland Vehicles.

★

Mr. Halim Dahlan has been appointed planning and development director of the SIME DARBY group's western international division based in London.

★

The Secretary of State has appointed **Mr. William M. Cunningham** as chairman of the Board of Governors of the ROYAL NATIONAL ORTHOPAEDIC HOSPITAL.

★

Mr. F. E. Mills, a director of TURNER AND NEWALL, did not seek re-election at the recent annual meeting on medical grounds.

★

Mr. P. H. Dunn has been appointed a director of the NATIONAL EMPLOYERS' MUTUAL GENERAL INSURANCE ASSOCIATION. He is chairman of Brown Shipley and Co.

★

Mr. D. L. Godwin has been taken into partnership with HALLIDAY, SIMPSON AND CO., stockbrokers. He has managed the firm's research department for several years.

★

Mr. W. Fieldhouse has been appointed a non-executive director of UBM GROUP. He is chairman and chief executive of Letraset International.

★

Marshal of the Royal Air Force Sir John Grandy has been appointed a director of BRIXTON ESTATE.

★

Mr. A. M. L. Salmon is retiring from the Board of J. LYONS AND CO. on June 30.

★

Mr. George M. Gunson has been appointed general manager of EURO-LATINAMERICAN BANK (Eulabank). **Mr. Herbert A. Heinig** continues as the deputy general manager

★

Mr. P. P. Dunkley, chairman and managing director of MITCHELL COTTS GROUP, will no longer use the title of managing director and has been designated executive chairman. **Mr. K. N. Jenkins** and **Mr. J. R. C. Wren** have been apointed managing directors. **Mr. E. P. MacKenna**, a director of Mitchell Cotts Group, will be director, finance and planning.

★

Mr. M. H. Howarth has been elected a director of RICARDO AND CO. ENGINEERS (1927). He is managing director of its subsidiary G. Cussons. **Mr. C. C. J. French** and **Mr. M. L. Monaghan**, directors of Ricardo, have become directors of G. Cussons.

★

Mr. Robert L. Zorich, of the petroleum department of the REPUBLIC NATIONAL BANK OF DALLAS, has been appointed a vice president.

★

Lord Auckland has been elected president of the CORPORATION OF ESTATE AGENTS.

★

Mr. Cecil C. Barnett has been appointed president of the TUBE TURNS DIVISIONS, a subsidiary of Chemetron Corporation, part of the Allegheny Ludlum Industries' Group. Mr. Barnett was formerly director of corporate services at Cameron Iron Works.

★

Mr. Simon Preston has been elected chairman and **Mr. Gerald Risdon**, secretary, of the CITY LIAISON GROUP. They succeed, respectively, **Mr. Robin Althaus** and **Mr. R. Sutherland Smith**, who remain members of the committee.

★

Mr. Eric Bowers has been elected president of the EUROPEAN COMMITTEE FOR HYDRAULIC AND PNEUMATIC POWER TRANSMISSION EQUIPMENT.

★

Mr. J. P. McMonigall has been appointed director of marketing, Europe, for SPERRY MARINE SYSTEMS.

★

Mr. S. K. Wilkinson has been appointed to the Board of LINK 51 as commercial director and continues as secretary.

★

Mr. Ancrum F. Evans has been appointed a director of the ENGLISH NATIONAL INVESTMENT COMPANY.

★

MERCANTILE CREDIT COMPANY, the finance house subsidiary of Barclays Bank, has appointed the following division executives as deputy general managers: **Mr. P. C. Richards** (consumer), **Mr. A. H. Ashby** (industrial), **Mr. F. A. Silcock** (accounts), **Mr. W. M. L. Wood** (personnel), and **Mr. G. W. Howson**. **Mr. M. F. Johnson**, **Mr. A. White** (administration).

★

Mr. R. Maari, president of Single Buoy Moorings Inc., has been appointed chairman of SINGLE BUOY MOORINGS (DBV), a new U.K. joint company formed by David Brown-Vosper (Offshore) and Single Buoy Moorings Inc. **Mr. A. A. C. Griffith**, managing director of David Brown-Vosper (Offshore), has become deputy chairman of Single Buoy Moorings (DBV) with operational responsibility for the new company.

★

Mr. Peter Neville has been seconded by Antony Gibbs and Sons to UDA MERCHANT BANKERS BERHAD, Kuala Lumpur, Malaysia as adviser director, for two years.

★

Mr. John Austin has relinquished his position as managing director of ATTWOOD STATISTICS (GREAT BRITAIN) and with **Mr. Peter Attwood** has been appointed vice-chairman of the company. **Mr. Peter Curran** has become joint managing director (marketing).

★

Mrs. J. Cawdron has become managing director of SMITH WIDDOWSON AND EADEM (LONDON), a subsidiary of Sheffield Brick Group.

★

Mr. D. Leighton Davies has been appointed chief executive of the newly formed RACAL DATA COMMUNICATIONS GROUP. Mr. Davies, a member of the Board of Racal Electronics, the parent company, continues as managing director of Racal-Milgo Limited. He has also been appointed deputy chairman and chief executive of Racal-Milgo Inc. and chairman of Racal-Vadic Inc.

★

Mr. Peter Macadam, chairman of BAT Industries, has been elected chairman of the British National Committee of the INTERNATIONAL CHAMBER OF COMMERCE in succession to Sir Reay Geddes.

★

Mr. Noel I. Bond-Williams has become vice-chairman of REMPLOY. **Sir Derrick Carter** has retired as vice-chairman and has been re-appointed to the Board for one year. **Brigadier J. J. Sloan** has retired from the Board, **Mr. Allan Greenwood** continues as chairman.

★

Mr. George A. Stout and **Mr. Lyndon Bolton** have been appointed to the Boards of the ALLIANCE TRUST COMPANY and the SECOND ALLIANCE TRUST COMPANY following the retirement of **Mr. Charles N. Thomson** and **Mr. George T. Chiene**. Mr. Stout and Mr. Bolton continue as joint managers of the two companies.

هكذا من الأجل

Pay curb may hurt Labour's poll effort

BY CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT could suffer at the polls if it prevented trade union activists from bargaining freely with employers, Mr. Moss Evans, general secretary of the Transport and General Workers' Union, said yesterday.

He was commenting on the Prime Minister's May Day speech in which Mr. Callaghan spelled the end of free collective bargaining under Labour and called for a "new understanding" with the trade unions.

Mr. Evans said that if trade union activists became disillusioned by the imposition of norms and percentages, "then they won't work as enthusiastically as knockers on the door as they would have done in other circumstances."

But he coupled his warning with a promise that the union would pull out all the stops to see Labour re-elected with a big majority, even though he himself might be regarded "as the greatest critic of the policies that are being proposed."

Asked whether his union would fight against another *imposed incomes policy, he said* the *word fight was* "a misnomer." But he added that the *TWU would* support industrial action by its member in public or private sectors who decided to challenge an imposed wage deal backed by Government threats of sanctions against their employer.

Millstone

He said *the 12-month* rule, which the Government hopes will be extended, "should not be allowed to become a millstone around our neck." Where deals were for 12 months they would be honoured. But anomalies sometimes demanded that a six-month deal or even a two-year deal was more appropriate. The rule should be allowed to expire when the TUC's commitment to it under Stage Two ran out.

Mr. Evans, who is now one of the six TUC leaders who confer regularly with Ministers, said the union had given him free rein to participate in the private round of talks on the economy that have just begun. Since there was no question of an agreement on Stage Four, it was "common-sense" to keep the union's demands to the fore.

Instead of trying to impose pay norms, the Government should give a lead on shorter hours and better conditions, he said.

Other trade union leaders yesterday addressed themselves to the question of free collective bargaining.

Mr. Walter Johnson, MP, president of the Transport Salaried Staffs Association, told the union's conference in Torquay that trade union leaders who said it was necessary to get back to free collective bargaining "must be living in cloud-cuckoo land." He said he was a supporter of voluntary incomes policy, provided the Government acted on prices as well.

Mr. Bert Hazell, president of the National Union of Agricultural and Allied Workers, warned delegates in Southport *that the union would need more* industrial muscle than it had to benefit *from a return to free* bargaining. The union did not have even a *majority of farm-workers* in membership.

In Glamorgan, *Mr. Emlyn* Williams, president of the South Wales area of the National Union of Mineworkers told the annual *conference* that *miners* would fight to restore the "disastrous" cuts in living standards over the last three years.

Electricians call for shorter working week

BY NICK GARNETT, LABOUR STAFF, IN SCARBOROUGH

A SHORTER working week, large increases in basic pay and better fringe benefits, were called for yesterday by the Electrical and Plumbing Trades Union's annual conferences for private contracting and Government departments.

Delegates representing the union's 40,000 members working for electrical contractors urged their executive to seek a 38-hour week, with a fourth week's holiday and a more than 60 per cent. increase in electricians' basic hourly pay, from the present £1.75 to £3.

The union's 15,000 industrial civil servants called on the executive to press for a 35-hour week, with a pay claim for next year based on a comparability exercise with craftsmen in private industry. Union officials believe the discrepancy here is about 25 per cent.

The decisions are recommendations, rather than mandates, for the executive.

Mr. Charles Morris, Secretary of State for the Civil Service, *told delegates* representing electricians and *plumbers in Government* departments that pay for the *Civil Service should* be determined by what civil servants *felt to be fair*, and what "informed public opinion" felt acceptable.

The latter, said Mr. Morris, was the same as saying what was "seen to be in the public interest."

He referred to the rally and lobby of Parliament to-morrow organised by the Transport Workers to press the claims of its 80,000 members in the industrial Civil Service.

The Government accepted that "as a general proposition" fair comparison between the public and private sector was the right method for determining industrial and non-industrial civil servants' pay.

No more, no less

The application of that must be subject to any form of Government pay policy, whether or not it had been agreed with *the* unions.

Under recent years of pay control, civil servants had received no more and no less *than they had been entitled to*, said Mr. Morris.

Dons end ban

THE Association of University Teachers yesterday called off its threat not to mark final examination papers of university students. The move followed settlement of a pay dispute with the Government.

Plea on Press disputes

By Our Labour Correspondent

NEWSAGENTS ASKED the Government yesterday to outlaw unofficial union action which disrupted newspaper production or distribution.

The 350 delegates to the National Federation of Newsagents' annual conference, which began in Bournemouth yesterday, unanimously passed an emergency resolution calling on the Government to introduce laws safeguarding newspaper supplies.

Two weeks ago the newsagents held a protest march in Fleet Street. They believe continuing disruption in the industry affects their relationship with cusomers, and puts *their livelihood at risk*.

Mr. John Shorrock the *federation president*, said disruption of newspaper supplies appeared a direct result of "the near breakdown in labour relations between the established printing unions and their employers."

- Sporting Life, the first Fleet Street paper to use new printing techniques involving computer typesetting, was not published yesterday because of "complex problems" in these methods.
- Leaders of the National Union of Journalists expect to meet management *representatives* of Thomson Regional Newspapers to-day *in a further* attempt to solve a dispute over productivity pay and the dismissal of about 380 journalists more than a week ago.

Civil Service union moves to the Left

BY PHILIP BASSETT, LABOUR STAFF, IN BRIGHTON

THE CIVIL and Public Services *Association. Britain's biggest* Civil Service union, moved markedly to *the Left yesterday*, when it rejected the Right-wing candidate, Mrs. Kate Losinska, as both its president and vice-president.

The post of president carries prestige but little power. But the vice-presential *election result* is seen as a positive pointer to a Left-ward swing in the *union's* executive election, to be held on *Thursday*.

The executive is at present split *15—11 in favour of the* moderates.

At the union's *annual* conference here, Mrs. Losinska was defeated *in the presidential election* for the third year in succession *by Mr. Len Lever, who stood on* no political ticket.

Mrs. Losinska, *one of the two* vice-presidents standing for re-election, was also defeated in the poll for vice-president by a broad Left candidate and a Communist Party member.

She said she was surprised at the drop in her vote for the presidency, *from* 95,822 in 1977 to 66,420 this year.

Mr. Peter Coltman, the far-Left *presidential* candidate, who is a Communist Party member, polled *37,059 votes*.

The Left Labour slice of the *80,000 broad Left vote seemed to* have gone to Mr. Lever to *prevent* Mrs. Losinska *from being* elected.

Mr. Coltman polled 97,838 votes in the vice-presidential election, with Mr. Reg Williams, the broad Left candidate, polling 132,811.

Last year Mr. Williams and Mrs. Losinska *won substantially*, with no other contenders even close.

Mr. Lever polled 103,622 votes in the presidential election, marginally *more than the far* Left and Right-wing candidates together.

In his presidential address, he attacked the idea of a Phase Four incomes policy. The first three phases of pay policy were "a compound of expediency and panic," he said, and were "an unwarranted interference into free wage-bargaining."

Settlements

On pay, Mr. Ken Thomas, general secretary of the union, said that the outstanding balance of Civil Service pay must be paid in 1979, and must be supplemented by settlements within the 12 months from this year's settlement date.

The Left suffered a defeat, however, *in the conference's rejection* of a motion calling for *withdrawal from the pay* research system, which *determines civil service pay by comparison* with the private sector.

The *conference* backed a motion calling for full implementation of *pay research unit* findings for the 1979 pay settlement.

It also backed an emergency motion delaying acceptance of the Government's Phase Three 10 per cent. deal until it is applied as normal to the union's controlled fringe bodies.

Be alert for Tory attacks—Scanlon

BY ALAN PIKE, LABOUR CORRESPONDENT, IN WORTHING

MR. HUGH SCANLON, whose *union spearheaded* the *resistance* to the legal provisions of the Conservatives' industrial relations legislation, yesterday warned trade unionists to remain *alert to future attacks from the* same source.

It seemed, he said in his presidential address to the Amalgamated Union of Engineering *Workers' conference* here, that whenever the Conservative Party was *bereft of* policy, it turned its attention to "*union bashing*" and immigration. Both had been *overplayed*.

"As a union, we suffered too *much and too long under* the last Tory Industrial Relations Act," *he said*. Trade *unions* must remain as alert as ever to *ensure that they did not operate* under a government licence.

Referring to Mrs. Thatcher's week-end remarks about trade *union power, Mr. Scanlon said* it was a reminder to all what was likely *to happen if the electorate* was "ever so unwise" as to *return another Tory Government* committed to such policies *towards trade unions*.

Militant action possible by milk tanker drivers

BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS for 6,000 *milk tanker drivers* plan to take a militant stance over their pay *negotiations if employers refuse* to grant an increase above the *Government's pay guidelines*.

Some union officials are talking about prolonged industrial action.

Pay talks affecting 65,000 workers employed by members of the Dairy Trades Federation are due to resume to-morrow.

But Mr. Jack Ashwell, national secretary in the Transport nad General Workers Union, plans to pull the drivers out of the negotiations if they are not given parity with lorry drivers in other industries.

A 10 per cent. pay rise, the unions claim, would mean an in*crease of about £7.30 on* basic rates, but the drivers are stand*ing out for at least* £2 more, amounting to a total 15 per cent. claim.

The union leaders, noting *their success last autumn in* achieving wage rises above the Government's 10 per cent. guidelines for lorry drivers employed *in the West Midlands*, are threatening to revert to local negotiations *for milk tanker* drivers as well.

Mr. Ashwell said he was arguing *for parity* with common carriers under the Road Traffic Act, 1938 — a claim which the employers' side is understood to have *resisted* as inappropriate to national pay negotiations.

If the union carries out its threat to withdraw from national *negotiations, it will undoubtedly* raise the question of how far *the Government is likely to place* sanctions on local employers who *concede to the drivers' claims*.

The Milk Marketing Board is *among the employers and would* be expected to stick firmly *within the Government's rules*.

After a reorganisation of the *milk industry negotiating* structure earlier this year, the drivers' *leaders are bargaining on* the Federation's national joint council, *while employees in* milk processing and milk products *manufacturing are represented* on separate committees.

Trades unions in the industry have asked for "substantial" *pay increases. But, apart from* the drivers, they are expected to *accept a within* Government guidelines settlement.

They called a lay delegate conference on April 26 when an *earlier offer* was sent back for renegotiation.

Post Office reopens talks with engineers

BY JOHN LLOYD

TALKS BETWEEN the Post Office Engineering Union and the Post Office on the union's demand *for a 35-hour* week have been re-opened, following *meetings between Mr. Brian* Stanley, the union's general *secretary*, and *Mr. Eric Varley*, Industry Secretary.

The union wants *to* take a proposal of some kind to its *conference early next month*. So far the Post Office has not *indicated that* it will compromise on any working week *shorter than the present* 40 hours.

The union, however, thinks it possible that agreement *might be reached on introducing* a shorter week in the near future. *It* does not want negotiations on hours to interfere with its annual pay claim, which comes up in July.

Officials point to the settlement on reduced hours agreed recently with the nurses and midwives as a possible precedent. They also see the wage agreements covering *several* years accepted by the firemen and, *more* recently, by the university teachers, as pointers *to the possibility of further* bargaining of this sort in the *public sector*.

Some 51,500 people are now waiting for a telephone—and £7m. worth of telecommunica*tions equipment* required for immediate service is lying unused because of the union's industrial action. Also, a further £40-£50m. worth of equipment needed for tele*phone growth* in the next three to four years has not *been installed*.

The effects of the action are *becoming more serious*. The waiting list has lengthened by *1,500 in the last month*, and equipment delivered but unable to be brought *into service* has grown by £2m.-worth. Now 614 of Britain's 6,000 *exchanges* are affected.

Channel pilots' dispute threatens hovercraft

THE WORLD'S biggest hovercraft, the 300-ton *Princess Anne*, may be left idle at the end of its present trials because *of a pay* dispute involving hovercraft pilots.

The Princess Anne is due to enter *service with* the British Rail subsidiary, Seaspeed, in July. But *pilots are refusing* to operate the new craft.

They also *claim* that summer services from Dover to Calais and Boulogne will have to be cut drastically because of their pay dispute.

The pilots claim they have fallen 25 *to 32 per* cent. behind ships' officers, with whom they achieved pay *parity* in 1975, and that negotiations have broken *down*.

They are threatening to work *to* contract, which will affect the frequency of Seaspeed cross-Channel services this summer.

The pilots claim that the Princess Anne's sea trials are being conducted largely by management staff.

When the trials are over the craft may have to be mothballed at the new £12m. hoverport at Dover or returned to the builders' yard at Cowes.

The pilots are asking MPs to press Mr. Peter Parker, the chairman of British Rail, for an inquiry into Seaspeed's industrial relations.

THE JOBS COLUMN

Two-way stress on the manager's sanity

BY MICHAEL DIXON

ONE PERSON'S challenge is another person's pressure, that person's pressure is somebody else's stress, and that person's stress may be my breaking point.

That sequence was quoted the other day at a session of the Institute of Personnel Management's London conference, in which John Morris, Professor of Management Development at the Manchester Business School, was taking about coping with stress at work.

The quotation—produced by a speaker from the floor of the hall—challenges the notion that stress, particularly in jobs of the managerial type, is an objective phenomenon with the corollary that the greater degree of it a person can put up with, the better a manager he or she must be. This is evidently still a widely held idea, even though it takes but a little searching of one's own experience to find evidence that the opposite is the more true, and that what is stressful depends to an important extent on the human being in the case.

I doubt, for instance, that most readers could stand for at all long the job of a woman, interviewed some time ago by the late lamented National Institute for Industrial Psychology, who spent all day every day inserting at a bewildering speed those little cork discs which one used to find at the tops of toothpaste tubes. Yet she not only did the work well, but enjoyed it.

Unable to understand why the woman did not find almost the ultimate in repetitive tasks boring, the institute's researcher kept on probing, and finally the reason came up. "Well, although you might not notice it yourself," the woman said, "it's marvellous. You see, the corks are always coming up looking different."

That example of the human's power to find its own interest in an activity may become an increasingly important consolation. For if I heard Professor Morris aright, he expects a continuing decline in the average manager's prospects of changing job fairly frequently.

The result appears bound to to be an increase in managers' propensity to be subject to stress. The comparative absence of promotion will not only leave one doing the same old things for longer, but will also take away the external "proof" that one is winning—which in my experience is enough to make the intolerables of the moment feel like mere pressure.

But John Morris's advice was not to defend by taking an advanced course in Yoga or some other aid to just bearing it, with or without grinning. "If you accept the contradictions in your situation and turn them into rules of conduct, then all you have is self-imposed stress," he said. "We already have a world where the development of self-imposed stress is viewed by organisations as normal adaptation to circumstances. Much more of that, and we'll have a society where paranoia is functional."

Negotiate

His prescription to managers whose job conditions were facing them with the threat of stress was to seek to negotiate a change in those conditions with the people above, to either side of, and below them. "The threat may be in the situation; but you can't communicate effectively with situations—only with people. Talk!"

Beyond this, he had a prescription for senior managements which, unlike subordinates, have real discretion to change the organisations below them.

The work of senior managements generally he described as "pulling things together." The work done below could be divided into three main kinds: "doing new things," and "keeping things going," and "coping with failure."

Not long ago even in big concerns, the Professor said, almost every managers job included some activity falling into each of these categories. But to-day, although very few managers still did any one type of wor exclusively, the three kinds were being split up between different roles "and handed over to graduates of apparently ever-increasing eptitude and ineptitude at the same time—eptitude in the thing in which they have specialised, and ineptitude in everything else."

His advice to senior managers was therefore to resist this divagation and try to make sure that their concern's managerial jobs offered some opportunity to take part in all three kinds of activity to people who would like to do so. Unless organisations did resist the tendency, he said, they would doubtless be manufacturing failure among their managers.

Even so, Professor Morris felt that if an organisation were truly concerned about ensuring that its jobs were fit for human beings, there was no substitute for encouraging "openness, authenticity and trust" so that people who found aspects of their jobs becoming stressful could make the fact known and start negotiating ways around it, without fearing that they would thereby be judged incompetent as managers altogether.

"Time and time again," he said, "it has been shown that trust is just about the most important factor in understanding the performance of groups at work. Are they trusted by higher groups, do the members trust one another, and so on, are the telling questions.

"There are still executives who refuse to believe it—who think that conflict is the name of the managerial game. But people who insist on believing that ought to be made to face up to its consequences. They should be put in prison waiting to be shot. Then we would know whether they were really willing to espouse the cause of conflict."

Hear, hear!

Code-again

AS A FOOTNOTE, it looks as though a number of readers are interpreting this column's recent silence on the topic of the proposed code of good recruitment practice, as a sign that I have forgotten about it. And while some think that oblivion would be the best destination for the proposal, the majority take the opposite view.

The fact is that the code is far from forgotten. I have lately been going through comments sent directly to the Institute of Personnel Management by its members, while like those sent to me, raise some knotty points.

Although I have still to discuss these with the IPM with the object of drawing up the code which it will sponsor, one thing is certain. The final version of the code will have to be ready by the institute's annual conference in Harrogate this autumn, because I have to give a talk about it there.

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METHOD OF APPLICATION:

Applicants in Nigeria can obtain application forms from the Director of Personnel, Electricity Headquarters, 24/25 Marina, Lagos, or any of the Directors of Operations/Directors of Distribution/District Managers/Undertaking Managers within the country; while applicants in the United Kingdom can obtain application forms from the Authority's Resident Engineer, NEPA, London Office, Westminster Bridge Road, London, S.E.1.

All completed application forms must reach the Director of Personnel, Electricity Headquarters, 24/25 Marina, Lagos, Nigeria, not later than Friday, 26th May, 1978.

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Further particulars may be obtained from the Deputy Registrar, The University of Newcastle upon Tyne, 6 Kensington Terrace, Newcastle upon Tyne NE1 7RU with whom applications (15 copies), giving the names of not more than three referees, must be lodged not later than 30th May 1978. (Applicants from outside the British Isles may submit one copy only).

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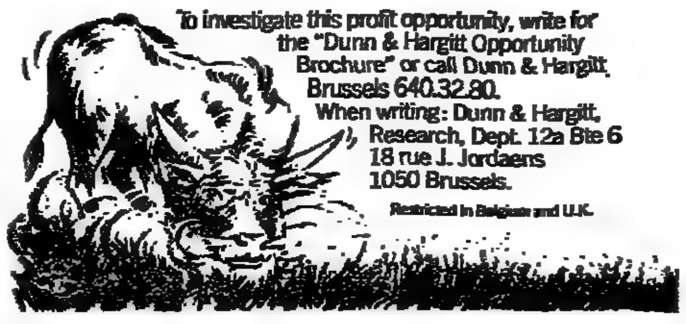

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FINANCIAL TIMES
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COMPANY NOTICES

O.K. BAZAARS (1929) LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND

Notice is hereby given that final dividend No. 93, at the rate of 41 cents per share in respect of the financial year which commenced on 1 April 1977, has this day been declared payable on 7 July 1978, in the currency of the Republic of South Africa to all holders of Ordinary shares registered in the books of the Company at the close of business on 26 May 1978. Non-resident shareholders' tax of 15% will be deducted where applicable.

The Registers of Members will be closed in Johannesburg and London from 27 May to 4 June 1978, both dates inclusive, for the purpose of the above dividend.

BY ORDER OF THE BOARD
J. B. PARNALL.
Secretary

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London Registrars:
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8 May, 1978

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—London, 33, Lombard Street
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14, rue Aldringen, Luxembourg

EDGAR ALLEN BALFOUR LIMITED

Notice is hereby given that the Registers of Holders of the 7¾% Debenture Stock 1987-92 will be closed from 27th to 31st May, 1978 inclusive, for the purpose of preparing Interest Warrants for the half-year to the 31st May, 1978.

By order of the Board.
G. R. WOOSEY,
Group Secretary.

Sheffield Road,
Sheffield, S9 1RA.

THE ROYAL BANK OF SCOTLAND LIMITED

US$30,000,000 FLOATING RATE CAPITAL NOTES 1983

For the Interest Period 9th May, 1978 to 9th November, 1978 the Notes will carry a rate of interest of 8⅛% per annum. Interest for the period will amount to US$42.3055 per Note, which will be payable on 9th November, 1978 against presentation of Coupon No. 5.

The payment date and dollar amount stated above may be amended without notice in the event of an extension or shortening of the interest period.

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9th May, 1978.

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COLNAGHI, 14, Old Bond Street, W.1. BRITISH AND FRENCH PRINTS 19th and 20th Cent. and L. S. LOWRY DRAWINGS. 10th-30th May. Wkdys. 9.30-6. Sats. 10-1. Tel. 01-491 7408.

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FOX GALLERIES. Exhibition of the paintings by British and European Artists from 1700-1969. 5-6, Cork Street, London, W.1. Tel 01-734 2626. Weekdays 10-6. Sats. 10-1.

GILBERT PARR GALLERIES, 285, King's Road, Chelsea, S.W.3. JOHN MILNE—NEW SCULPTURE. Until 13 May. Open Tues.-Sat. 9.30-5.30.

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CLUBS

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PUBLIC NOTICES

OFFICIAL NOTICE

The loss has been reported to us of the following London Metal Exchange Warrant, and we have been requested to issue a duplicate Warrant: Warrant No. 42552—317 ELECTROLYTIC COPPER CATHODES—Weight 25.076 Kilos—BRAND: MEK.

Anyone claiming to be entitled to these goods is invited to enter protest by means of Summons against the delivery of the goods or the issue of a duplicate Warrant.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● MACHINE TOOLS

Dialling for the finished product

COLD-ROLLED formed sections are usually produced cut to length and any holes, slots, etc., require a second operation, often performed on a press brake with multiple tooling.

In order to introduce flexibility, eliminate second operations and reduce handling, numerical control has been applied to the Odin cold roll forming plant so that lengths, holes, notches, etc., can be programmed-in to produce a finished product.

A complete line for continuous production of a cold rolled section with *press-formed ends* has recently been installed. This particular plant enables any length of component and quantity of that length to be programmed merely by setting dials. Programming can proceed while the plant is producing, giving uninterrupted production, and ten programmes can be set at one time, the plant producing the required lengths in batches.

Any length up to 10,000mm in increments of 1mm and batches of 1 to 1,000 can be programmed merely by setting digital counter dials.

Further details from Odin Engineering, Bodmin Road, Wyken, Coventry. Coventry 615238.

Milling head takes heavy loading

DESIGN of a new adjustable milling head, the "Novamill," by Iscar of Nahariya, Israel, has resulted in a more accurate and more easily handled tool. Used in combination with Iscar's IC50M hardmetal formulation, it works particularly well under high loads.

Iscar's main departure from current practice was to divide the pockets—the movable parts of the head that accept the inserts—into two elements. One of these is no more than a low-cost, simple but very hard shim, while the other acts as secure seat for *the cutting insert.* The precise positioning of the insert in the seat is assured by a three-point seating system.

Should the tool be subjected *to exceptional shock, in the* course of the work process, that is first of all absorbed by the replaceable insert, and then by the shim.

The new design has made alignment a relatively simple task, and one that does not need *to be repeated every time an* insert is replaced. The same head can be used with either ¼ or ⅜ inch inserts, the switchover handled by most machine operators.

Iscar's new milling head has floating setscrews, to hold the *inserts simply against* the three-point seat, and round wedges with a single flat surface facing the pocket assembly. This adds a self-aligning feature that reduces set-up time and distributes the load uniformly along the entire length of the insert's *leading edge.*

● MATERIALS

Hard finish for floors

FOR INTERNAL use only, and suggested for industrial applications where there is considerable wheeled traffic, or where improved working conditions are *required in modern or re*habilitated premises, is the National Flooring Company's system, Stabaphalt.

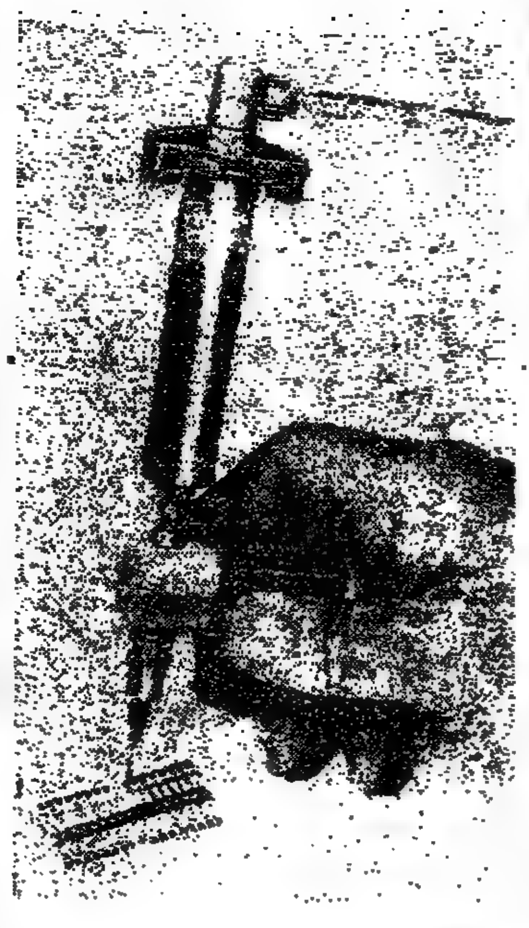
The material may be applied over low grade concrete without bay joints in new work, or over existing floor finishes for rehabilitation work and the system is said to provide a dust free, jointless, hardwearing floor finish that is quiet and warm in use.

Developed originally in the *Netherlands by Cindu Key* and Kramer, NV, the flooring is a composition of Stabaphalt bitumen emulsion, cement, crushed rock aggregate and sand without additional water.

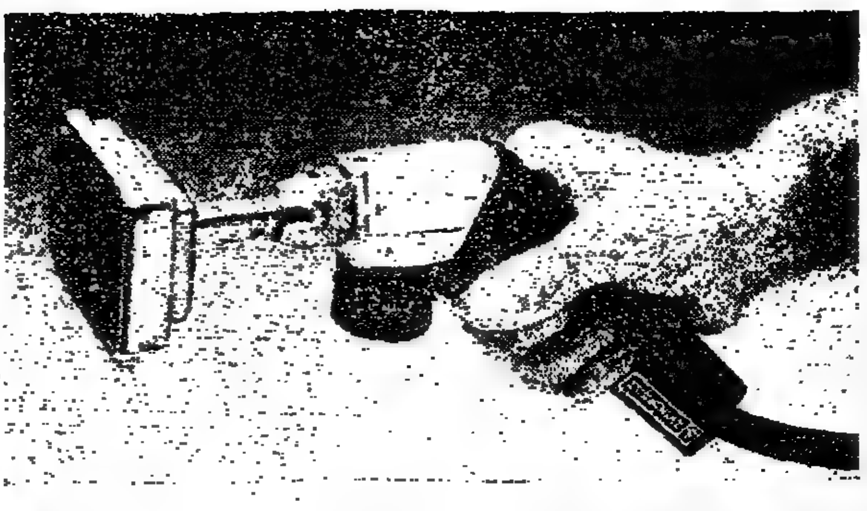
It is said to be cheaper than mastic asphalt finishes or the overall cost of granolithic flooring, and has characteristics mid*way between these materials,* therefore achieving the good balance of properties required for industrial flooring.

A life expectancy of 25 years is promised, with *minimal* maintenance, and constant wheeled traffic maintains the surface, healing any hair cracks *arising* from minor movement or shrinkage. It can be washed down with mild detergents which are suitable for concrete (damaged *areas may* be easily repaired with Stabaphalt repair mortar), and routine maintenance is sweeping only.

More on 01-353 7051.



◀ Highly accurate dispensing of fluids can be carried out with this diaphragm valve used with a pulsed air supply and volumes can be delivered from 2 microlitres upwards with a *repeatability of 1 per cent. or* better. Various controllers are offered and an air supply between 60 and 90 psi is needed. A top speed of 300 cycles per minute is achievable. Applications could include potting, microdot deposits, metering and trans*fering reagents etc. Many types of* adaptors and filling orifices are available. More details from Interfax, 17A Kings Road, Sutton Coldfield, West Midlands B73 5AB. 021 354 5965.



▲ Flame-free heat can be provided, though a blow-torch is the heating source, with this matrix pad of refractory ceramic material that can reduce the blow-torch flame temperature from 1,850 degrees C and radiate it at 110 degrees C. Several types of work require even heating in the absence of flame. They include the laying or removal of plastic floor tiles, removing paint without burning the base material and shrink-wrapping. This device, which has been named the Tubo 35, has a *gas take-off of some* 55 grams per hour, which makes it particularly economical in use. More from Camping Gas (GB), 126, St. Leonard's Road, Windsor. 55011.

● COMPUTERS

Terminals at Cadbury Schweppes

HARRIS Systems has brought off *something of a coup at Cadbury* Schweppes with the announcement of an order for over 300 interactive display terminals worth £8m.

Over 40 distribution depots and 14 factories are involved some of which will have as many as ten terminals. *These will be* linked to a dual IBM 370/158 mainframe machine at the company's headquarters in Bournville.

The terminals will be used mainly for telephone sales activity at the depots. Publicans, hoteliers and store managers give their number to the tele-operator who keys it into the system and within a few seconds has the customer's full name, address and the last six orders he has placed, on the screen.

Ordering assistance can be given, and once the new order is keyed in, the depot printer produces a delivery note and updates the mainframe file for *stock control and invoicing* purposes.

The delivery notes are made up into loads which are subsequently re-entered on another terminal for load/weight calculations, daily summaries and sales analysis. A further four terminals at Bournville, operating on a time sharing basis to the IBM machine are used for budget planning, period accounts, and long range planning.

● CONSTRUCTION

Seeks out resonance

AN instrument known as a vibratory mobility meter has been put on the market by IRD Mechanalysis of Chester and is *intended mainly for* investigatory work on metal structures.

Object of the device is to apply an oscillatory force to a specific point on a structure and measure the mobility—defined as the ratio of velocity to force. The result is continuously plotted on a chart recorder so that, as the frequency passes through a critical value the resonance will be shown as a peak on the trace.

A controlled sinusoidal force is applied by means of a handheld electromagnetic vibration generator and the resultant motion *measured by means of* an associated accelerometer. The velocity signal is filtered to remove noise and harmonics, allowing very small velocities to be sensed.

Apart from looking for resonances in bridges, lattice towers, *oil rigs and similar fabrications,* the equipment should also prove useful in the dynamic and nondestructive testing of car transmission systems, bodies and other components, of aircraft engines and airframes and of many other items fabricated *from metal. Applications* are also expected in the building and civil engineering industry.

More from the company at 37 Newgate Street, Chester CH1 1DE (0244 317557).

● SHIPPING

Aids safe mooring

STRAINSTALL of Denmark Road, Cowes, Isle of Wight, has acquired all British and foreign patent rights in the Alongside *Mooring-Load Monitoring* System for very large oil tankers.

The system, which was invented by George Elliot of the National Engineering Laboratory, *makes use of transducers* fitted into the mooring points on a jetty. These points, normally hooks or pulleys suitably modified so that the total load *on the mooring lines* is transmitted through the transducers, are connected by cable to a console on which all loads are displayed in a suitable format.

Audio and visual alarms can be preset at the desired load limit and the efficiency of mooring patterns *is thus under* continuous scrutiny, allowing rapid action in the event of an overload. Strainstall has developed a variation of the system for use with single-point moorings.

● SAFETY

Signals state of alarm

DEVELOPED by GP-Elliott Electronic Systems is a 19-inch rack-mounted module for use in process control alarm and shut-down systems.

The unit can accept inputs *from a wide range of detectors,* either contact closure or 4 to 20 mA tranducers, and produces outputs for alarm/control purposes.

Together with *other units from* the company's range, such as control action and facilities systems, a complete alarm arrangement can be built up.

The module contains only one board, with an optional daughter board if more alarm facilities are *required. Each of the two* channels is completely separate with its own power supply and this enables control action "voting" on the module outputs. Supply voltage range is 18 to 33 DC.

Light emitting diodes on the front panel provide alarm and fault indication and each chan*nel has its own inhibit switch.*

More from the company at 61, High Path, Merton, London SW19 2LW (01-543 1241).

● INSTRUMENTS

Indicator is compact

VISIBLE *space occupied by the* housing has been kept to a minimum in the Indicomp 2 indicators and contact/indicators put on the market by Hartmann and Braun (U.K.).

The control panel space is only 144 by 36mm and most of this area is devoted to the display. Furthermore, the design of the housings is such that several instruments can be stacked together to create a line of scales *on which the measured values* of various kinds can be easily recognised and compared.

Current, voltage and resistance signals received from thermocouples, *resistance* thermometers and measuring transducers can be measured by the units. In addition, there are versions with inductive pick-ups which make it possible to signal the larger of two limit values. Millivolt indicators can also be supplied.

More from the company at Moulton Park, Northampton (Moulton Park 46311).

● COMPONENTS

Ultrasonic flow switch

PUT on the market by Bestobell Meterflow of Baldock is an *ultrasonic* flowswitch using doppler velocity measuring technique which is able to signal alarm conditions for velocities between 0.2 and 15 metres/sec.

Most fluids can be measured provided that they contain dis*continuities such as bubbles or* particles—the doppler frequency shift can even be measured from the interfaces due to turbulence in the flow.

A certain amount of logic is associated with the circuits that follow the sensor. For example, there is a hold-on timer adjustable up to 60 seconds so that the pump will not cut out on "low" alarm before full velocity has been established. Also, the final *relay can be made to drop out* for up to 60 seconds to allow pump changeover and prevent relay chatter when flow fluctuations occur. In addition, pump restart facilities are provided should a mains failure be experienced.

The unit can be set for "flow fail" or "excess flow" relay cutout, and by adding modules *either condition (and intermediate ones)* can be signalled. More about the DS1/DS2 range on 0462 892228.

Plug-in controller

DIRECT current motors with ratings up to 0.55 kW (0.75 HP) can be controlled in terms of speed or torque using the model 504 single phase thyristor controller introduced by Shackleton System Drives of Littlehampton in Sussex.

An unusual feature of the unit is that it plugs in to a perma*nently installed housing, so that* in the event of a fault the motor is out of action for only as long as it takes to plug in another controller.

Based on a 96 mm DIN panel, the package contains thyristor power output stage, speed con*trol circuits, suppression and* protection components. Panel controls are a large rotary knob calibrated *0 to 100 and a stop/* run switch.

Either speed or torque can be chosen to give closed loop control; in the latter case the motor *current is controlled for torque/* tension applications. Feedback can be obtained by sensing the motor armature voltage or by means of a tachometer.

More from the company on 09064 21311.

No leaks from the gutter

A JOINING seal to ensure a completely leak-proof gutter joint is incorporated in an improved version of the Hunter *Squarello* UPVC rainwater system, the company reports.

The redesigning of its gutter *jointing brackets means that they* are now held captive in specially shaped recesses, instead of the Neoprene strips used to form the seal being fixed by an adhesive. Strips are firmly held in place under all conditions, including tough treatment *during handling* and installation, and should now accommodate the daily expansion and contraction of the gutter without disturbances to the seal.

The system comprises 4½ inch angled box section gutters and 2½ inch square section downpipes; the gutter profile has a cross sectional area of 8.33 square inches which gives 30 per cent. *more effective flow capacity* than 4½ inch nominal half round profiles, and 20 per cent. greater carrying capacity than most similar shaped gutter sections.

Available colours are grey, white and black and the company says the system provides a *particularly elegant and* effective addition to period style developments.

The disobedient civil servant

BY DAVID CHURCHILL

ONE MAN'S fight against bureaucracy is an interesting but not unique story; but the saga assumes a new significance when that man is a former senior civil servant who has proved himself capable of exposing overmanning and wastage in the civil service, quit his job when his superiors blocked the extension of his cost-cutting regime, and then allegedly found himself facing a Whitehall cover-up.

In the past few weeks the Government has admitted that in 1974 senior civil servants misinformed the Parliamentary Public Accounts Committee which was investigating waste in the civil service. As a result of this, the author of a book * published to-day claims the MPs did not pursue their investigation into why certain cost-saving measures had not been widely adopted. And potential savings to the taxpayer running into tens, if not hundreds, of millions were lost.

It may not exactly be a Watergate, but there is certainly a suspicion of a "Whitehall behind closed doors."

The man single-handedly responsible for creating this furore is 59-year old Mr. Leslie Chapman whose book charting his crusade against the civil service is published to-day. Mr. Chapman has spent most of the 1970's trying to persuade his superiors, then Parliament, and now the public that there is ample further scope for efficiently pruning the cost of running the civil service.

Not surprisingly, Mr. Chapman's policy did not endear himself to his senior colleagues in the service. Few people within any organisation are prepared to admit that they waste money and civil servants are no exception.

Yet that is exactly what Mr. Chapman describes in his book as happening. And, moreover, he proved that it was possible to cut out this wastage without impairing efficiency.

Leslie Chapman joined the Civil Service in 1939 as a 20-year old but it was not until 1967 that his story really begins. In that year, at age 47, he took over the job of regional director for the south of England in the Ministry of Public Buildings and Works. The Ministry has subsequently become the Property Services Agency. As regional director, Mr. Chapman was among the top 1,000 civil servants in the country and his salary nowadays would have been in excess of £11,000.

The Southern Region of the Ministry was responsible for providing and maintaining all Government offices and buildings scattered over five counties, including Ministry of Defence installations. Mr. Chapman headed an organisation with about 5,700 employees and an annual budget of some £25m. at current prices. Part of his job was to liaise with the Treasury, the Exchequer and Audit Department, and other bodies—experience that was to prove invaluable later on.

But back in 1967 it was the job in hand that dominated Mr. Chapman's attention. Adopting the "new broom sweeps clean" management philosophy he initiated a fact-finding campaign of just what the civil servants in his control *were doing*.

Thus one afternoon in May 1967 Mr. Chapman paid a surprise visit to a defence depot near his headquarters. "I asked to see the records which showed how the directly employed labour force were deployed on that particular afternoon, what they were doing, and where they were doing it," he remembers.

He found that the bulk of the 70 employees present that day were doing nebulous "general maintenance work" which in fact in most cases "was nothing more than filling in time." The inescapable conclusion was that "the amount of waste and overmanning was greater than anyone had suspected." And, concluded Mr. Chapman, "something would have to be done quickly to put this right."

His solution was to establish teams of three investigators to probe intensively into one depot at a time. These investigators combed through every job and activity and produced suggestions for literally hundreds of potential savings. Many wasteful practices went back for 30 years or more, claims Mr. Chapman, and had survived several changes in management.

The savings resulted in surplus land being sold off and unwanted buildings demolished. Typical savings included such obvious measures as reducing the standard of heating and lighting in infrequently used buildings and stores.

One particular area of savings was achieved by ending the fleet of Government cars, supposedly for the use only of ministers and top civil servants, but in fact mainly used by junior staff.


Mr. Leslie Chapman—he quit his job after his schemes for saving money were not accepted.

Overall Mr. Chapman's Southern Region halved the numbers of directly employed workers—to 2,000—and by December 1976 savings were running at about £12m. a year.

Mr. Chapman's achievements in pruning costs in his area are undisputed by all concerned. He determinedly carried out quite extensive cut-backs without harming operations or, as might have been expected, creating any industrial unrest.

It was in his subsequent attempts to get his ideas adopted by other regions that is surrounded by controversy. In his book Mr. Chapman details the wholehearted support he received from three successive junior ministers in the Department. But he alleges that it was the officials surrounding these ministers and his contemporaries in other regions that effectively delayed and blocked the full implementation of his cost-cutting ideas.

As early as 1968 Mr. Chapman says that Lord Winterbottom, the Department's Parliamentary Secretary, told the other regional directors that he attached great importance to the cost-saving work being carried out in Southern Region and urged them to adopt similar schemes.

But, claims Mr. Chapman, "after he left the meeting it was clear that no one believed that economies on anything approaching the scale which I had described were available in the regions."

When Lord Winterbottom left the Department, the mantle of support was apparently taken up by Mr. John Silkin, the then Minister of Public Building and Works. Eventually, says Mr. Chapman, the Minister's directives were reluctantly taken up by his officials and cost-saving programmes advocated throughout the country.

But, just as progress seemed likely, a general election intervened and Mr. Silkin left office. Again the fight was taken up, says Mr. Chapman, by Mr. Paul Channon, the new Under-secretary of State. And again Mr. Chapman felt that there were delays in implementing the Minister's directives.

In the meantime, therefore, Mr. Chapman and his teams of specialists tried to spread their gospel by carrying out sample cost-cutting surveys in other regions. Individual successes amounting to substantial savings were achieved but Mr. Chapman felt his colleagues' overriding hostility effectively doomed the chance of long-term success.

So, at the age of 54, Mr. Chapman felt his only option left was to seek voluntary early retirement. Before he left he compiled an extensive memorandum of his experiences which he sent to the Director-General of Organisation and Establishments, the Number Two official in the Department of Environment as well as to Sir William Armstrong, the then head of the Civil Service. Neither response was to his satisfaction.

It was then that the Exchequer and Audit Department—the body responsible to Parliament for monitoring public expenditure—took an interest in the affair. They had previously interviewed Mr. Chapman and others about the savings being achieved in the Southern Region.

Subsequently, the Exchequer and Audit Department sent what is called an audit reference sheet to the Department of the Environment asking why out of £6.4m. saved by PSA in 1973, nearly half had come from the Southern Region. The matter was then published in the Comptroller and Auditor General's report to Parliament on the Appropriation Accounts.

This was followed by an investigation in April 1975 by the Public Accounts Committee, one of the most powerful select committees of MPs. However, the PAC's teeth were drawn by Sir Robert Cox, the PSA chief executive, who told the MPs in reply to questions that the Southern Region had been able to make substantial savings because of a large redeployment of troops from the region, especially from Aldershot, to the north.

However, this information—provided to Sir Robert by his officials—was untrue. Dr. John Gilbert, the present Minister of State for Defence, told the Commons recently: "No permanent transfers of major units from Aldershot took place during the period in question."

The unofficial explanation for this is that it was simply an error, compounded by the fact that the information required in 1975 went back over ten years. But the effect of the misinformation was that the PAC abandoned its probe into the reasons for Southern Region's success.

While this episode was unfortunate, it does not, however, prove there was any concerted attempt to cover up opposition to Mr. Chapman's ideas.

And though he was undoubtedly achieving economies in his area, the PSA has also published figures showing that other regions achieved considerable economies by other cost-saving techniques. There is a feeling in Whitehall that Mr. Chapman's attack was more inspired by a frustration at not getting his own view accepted than by any concerted attempt to curb his activities.

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* *Your Disobedient Servant* by Leslie Chapman, Chatto and Windus, price £3.50. 203 pages.

هكذامت الأجل

The Management Page

EDITED BY CHRISTOPHER LORENZ

Europe confronts the small business conundrum

THE fashionable concern for the plight of small businesses that has been building up in Britain in recent months has also been occupying the minds of bureaucrats and politicians in the European Commission and European Parliament. This reflects a growing awareness across Europe that the decline of small businesses must be arrested and that it is these firms, rather than large corporations, which are likely to do most to reduce the number of unemployed in EEC countries—which currently totals 6m.

So the work of Mr. Harold Lever, the Chancellor of the Duchy of Lancaster, whom the Prime Minister put in special charge of small firms policies last September, is being paralleled in other individual countries and in EEC institutions.

At one stage last year Viscount Davignon, the EEC Comissioner whose brief covers small firms in manufacturing industry, even thought of producing an EEC Green Paper on the subject. But that idea has faded because it has been realised that the problems of small firms are so diverse, even within single countries, that there is little point in trying to clamp an overall Common Market view onto them.

But the European Parliament did debate the problems of small firms in February—for the second time. It considered a report prepared for it (the Notenboom Report) which proposed changes in tax and social security contributions. The Parliament also noted that some EEC competition laws have been changed to help small and medium-sized businesses co-operate with each other.

There are also EEC plans for the European Investment Bank to devote more of its cash to help small businesses; its critics argue that it has spent too much money helping small projects put forward by large companies. At the same time the European Commission's staff dealing with the subject of small firms may be enlarged, and consideration is also being given to how EEC regional aid schemes could help more. The scope of the EEC's "marriage bureau" — the Business Co-operation Centre—is also being expanded.

However, Viscount Davignon told the European Parliament that he was opposed to a special consultative committee being set up in Brussels (along similar lines to the somewhat moribund Economic and Social Committee). Here he was backing the overall view of the Notenboom report, which said that the EEC should pursue a policy "which is not directed at artificially favouring small firms nor at maintaining uneconomic businesses, but at creating equal chances and enabling small firms to overcome the specific handicaps with which they have to contend."

As a result of all this political interest in the subject, various political and other small firms pressure groups are preparing themselves with European policies. Among them is an initiative being launched by political parties of the Centre and Right from 17 countries both within and outside the EEC. They plan to stage a congress on small businesses in Brussels in November. The British member of this group is the Small Business Bureau of the Conservative Party whose chairman, Mr. David Mitchell, a Conservative MP, will be helping to organise a meeting of the group's working party in London next month.

The group first got together in Bonn last November, and is made up of small business sectors or "middle class groups" from the relevant political parties. The main countries involved, in addition to the U.K., are Belgium, France, Italy, Germany and Austria, and the motivation of many of the representatives is more oriented to an urgent fight for the survival of capitalism in general than the small businessman in particular. One of the objectives of the group is to influence the European Parliament and Common Market committees.

Then there is the European employers' federation, the Union des Industries de la Communauté Européenne (UNICE), which produced a report on the subject of small firms earlier this year. Like many other small firm special interest groups, it admitted a broader interest in maintaining "private enterprise and the market economy, which are the forms of economic organisation capable of providing both the greatest quantity and the greatest variety of goods and services by the most efficient means."

The working party that produced this report consisted of representatives from small firms and employers' federations, including the Confederation of British Industry, and from the various countries' relevant financial institutions — in the case of the U.K., the Industrial and Commercial Finance Corporation.

This mixture of interests lay behind the report's warning that small firms should be prepared to abandon their objections to outside providers of risk capital having an equity stake and managerial say in the business. The report was also somewhat critical of the management of some small firms, and generally backed calls for taxation reforms and help with the availability of finance.

It opposed the creation of any special EEC institution for small firms but said the European Investment Bank should increase its help for such businesses to match the proportion of the EEC's total industrial output from small firms.

This report reflected the detailed views of different EEC countries and demonstrated how, although there is common concern about the small firms, the reasons for that concern vary. While the French, for example, were among the first to develop a small business programme (in 1976), the Italians are the most vociferous about the failure of their Governments and banks to do enough to help.

In Germany, where the British concern about personal tax levels is not a major worry, there are considerable complaints about the impact of competition policy and bureacracy.

And it was the Belgians on the UNICE working party who seemed specially keen to ensure that small firms realised that those investing in them would want a say in management.

It is because of these diverse problems that no major EEC initiative on small firms is likely to develop in the forseeable future. Nevertheless, there will be isolated items of concern, including for example, regulations on Value Added Tax. These will ensure that the subject stays on the agenda of the EEC Commission and the European Parliament.

JOHN ELLIOTT

The establishment of a guarantee scheme for bank loans to small U.K. companies is under consideration. Robert Oakeshott looks at a similar scheme on the Continent.

How West Germany leads the way

TWO DAYS after Mr. Healey's Budget announcement of a package of ad hoc measures to help small- and medium-sized business, the West German authorities quietly increased by an annual DM350m. their own programmes in favour of the small- and medium-sized sector. If account is taken of benefits introduced earlier but then repeated in his Budget by Mr. Healey, the size of the package in the two countries does not look all that different.

But it is not the similarity between the policy of the two countries in this area—rather the huge gap between the two—which strikes a British visitor to the Federal Republic.

Strategy

Much more indicative of the German position than the extra DM350m. of assistance is the fact that during 1977 the country's credit guarantee companies approved their 50,000th guarantee to small- and medium-sized businesses. These companies are only one, though perhaps the most eye-catching, in the array of institutional and other supports which the Germans have developed in favour of the small- and medium-sized business sector in the period since the country's post-war economic reforms.

More important than any specific institutions or programmes, at least in the view of those Germans most closely concerned with the sector, are the basic policy analysis and the resulting strategy which lie behind them.

Given this sort of perspective, Ludwig Erhard is seen as the architect of the success of small- and medium-sized German businesses. He assigned to them a crucial role in keeping sharp the competitive edge of the country's economy. And having cast them in such a key part he took steps to ensure both that they were sufficiently modernised and competent to perform it, and that they were not progressively overwhelmed by large-scale enterprises.

By contrast, or so these Germans would argue, the U.K. has followed no systematic policy at all in this area and has only very lately woken up to its potential importance. As for the Italians and the French, they are thought to have preferred policies of simply keeping alive, by a mixture of tax reliefs and subsidies, a basically traditional and unmodernised "artisanal" sector — though it is conceded that at least in France such policies may be starting to change.

If we exclude agriculture—a special case if only because it is not exposed to market forces—small- and medium-sized German business is divided functionally into two predominantly industrial and three predominantly commercial groupings.

The two mainly industrial groupings are divided between (more or less continuous process) industrial undertakings on the one hand and enterprises in what the Germans translate as "craft industries and trades" (Handwerk) on the other.

It is in respect of these small and medium-sized "Handwerk" enterprises that German small firm policy has been most highly developed. But, with one main qualification, the official policy covers all the main subgroupings. So the position of the "Handwerk" enterprises may be broadly taken as a proxy for the position of small and medium sized German business as a whole.

The "Handwerk" enterprises are exceptional because under German law only people who have passed, or been exempted from, their master examination in a particular craft industry or trade are free to set up in business in them.

In aggregate, according to the central "Handwerk" organisation, they account for a total work force of almost 4m. people (or just over 14 per cent. of all employment) and are responsible for roughly 11 per cent. of the country's total output. The average-sized enterprise has a workforce between seven and eight people. There are many one-man operations—a few with more than 100 on the payroll. Still, the totals make it clear that this is a sector whose prosperity is of considerable social and political significance.

The sector is also unusually well organised for anything which covers, as the German "Handwerk" federation does, more than half a million separate enterprises. There are 44 chambers of craft industries and trades distributed across the country; because of their responsibilities for administering master craftsmen and other apprentice-type programmes they are substantially Government funded. It is on this basis that the chambers have been able to build up impressive support services, though levies on their members contribute a sizeable part of their funds.

This decentralised network of professionals is obviously of great importance in explaining the apparent prosperity of the German "Handwerk" businesses. But so, for German small and medium-sized firms as a whole, are the country's decentralised credit institutions—its local savings and local co-operative or "peoples" banks—its special credit programmes at both regional and central government level, and those intriguing credit guarantee companies.

The most important effect of the special credit programmes is to reduce the cost of loans for approved projects to small and medium sized enterprises by up to about 2 per cent. below market rates.

The savings banks, which are closely linked with the local authorities, and the co-operative or peoples banks, have the most decentralised and extensive network of credit institutions in the country, with more than 80,000 branches. Partly because they are thus closest to the grass roots and partly because they are not narrowly profit maximising in their goals—which resemble those of building societies or of trustee savings banks in the U.K. they account directly or indirectly for up to 90 per cent. of all credit advanced to small and medium sized enterprises. For unlike the U.K.'s local credit institutions — trustee savings banks and building societies—they are not prevented by law from making loans to private businesses. They may lend their depositors money directly or they may act as the agents of central or regional governments in on-lending funds available under official programmes.

The first role of the credit guarantee companies is to buttress and underpin the lending of local savings to local small and medium sized enterprises. In this way they protect the local saver. But they are also of first class importance to the would-be borrower, whether the owner of an established small or medium sized enterprise or the prospective entrepreneur from scratch. Their effect has been sharply to reduce the percentage of any total investment which the small or medium scale entrepreneur must find.

Ludwig Erhard—he was the architect of a successful German small businesses policy

In the U.K. this percentage, at least in the small firms sector, would not normally be less than 50 per cent. In Germany, mainly because of the existence of the guarantee companies, the corresponding figure may be—and often is—as low as 20 per cent. Thus barriers to market entry, and to capital-intensive modernisation, are much lower in the German small firms sector than they are in the U.K.

The credit guarantee companies first appeared in Germany in the wake of the post-war economic reforms, and were based on earlier models developed in Austria and Switzerland. In principle there is one such company dealing with each of the main categories of small and medium sized business in each of the country's Laender (States) plus West Berlin.

Their operations are restricted to small and medium sized businesses and they are controlled by public regulation, in relation to the maximum value of investments they may consider, and the maximum percentages which they may guarantee.

Their capital is normally subscribed by a variety of public and private institutions: regional and local authorities; the local (that is savings and co-op) banks; the various "chambers"—of commerce and industry, for example, or of craft industry and trade; insurance companies and so on. Central government is also involved, any guarantees extended by these companies being underwritten at 60 per cent. by the federal government.

The maximum investment which these companies are permitted to consider varies from region to region and as between different categories of business. For example the current limit for the credit guarantee company in North Rhine Westphalia which deals with "Handwerk" enterprises is DM650,000. The limits are generally higher in West Berlin and in other "border" regions and higher for companies dealing with small and medium sized industrial undertakings than for those dealing with "Handwerk" enterprises. But in no circumstances may more than 80 per cent. of any investment be guaranteed.

Small builders and others who have had to arrange for the guaranteeing of performance bonds on a commercial basis in the U.K. will recognise that the prices charged for similar services by these German guarantee companies are splendidly modest. There is a once and for all charge of 1 per cent. on the sum guaranteed: thereafter the charge is 0.75 per cent. annually on what will usually be a declining balance. On the other hand, over the period of more than 25 years since they were first established, the actual bad risk percentage has been below 1 per cent. As a result, many—perhaps most—of the guarantee companies have now built up substantial reserves. In many cases the government indemnity is now considered to be practically superfluous and to survive for a combination of inertial and public relations reasons.

Prosperity

It is important that these credit guarantee companies are not working in isolation. Their success owes much to the array of policies and programmes which the Germans have developed to encourage and support the competitive prosperity of their small and medium sized business sector.

More narrowly, their exceptionally low "bad risk" rate is partly explained by the vetting and processing of guarantee applications. This will often be done, in advance of any formal submission, by the decentralised professional staffs of the local "Handwerk" chambers, of the local chambers of commerce and industry, and of similar bodies. Though they should clearly not be looked at in isolation, they seem to warrant considerable attention from Mr. Harold Lever and the Government in their review of possible incentives for small business.

LOMBARD

New York threat to the City

BY MICHAEL BLANDEN

IDEAS OF setting up an offshore banking centre in New York, and possibly in other American cities as well, are now being taken seriously by leading U.S. bankers. In the interests of promoting the proposals, however, they may be underestimating in their public statements the possible impact on other leading financial centres including particularly the City of London.

The aim of the plan is to set up a separate tax haven within the States through which the big U.S. banks would be able to conduct much of the business which at present they carry out through operations in offshore centres. The proposal raises obvious difficulties; it would mean that restrictive rules which apply to the domestic operations of the U.S. banks would have to be relaxed to enable them to conduct international business from a New York base.

It would make it necessary to set up a comprehensive policing system to ensure that there was no seepage to or from the domestic economy. The State and federal authorities will be concerned to ensure that the offshore branches do not provide a means for the banks to escape from the controls of the banking supervisors and of the Federal Reserve. More immediately authorities will want to be sure that the suggestion would not involve any significant loss of tax income.

In spite of these obstacles, however, the plan has made a good deal more progress than seemed likely even a few months ago. At least a couple of states of the U.S., Delaware and Florida, have indicated that they are willing to pursue the idea of creating a tax haven for international banking.

Backing

A recent report from the economic affairs cabinet of New York state recorded that a number of similar proposals, notably one presented by Mr. Walter Wriston of Citicorp, had asked for moves to enable them to set up what are known as domestic international banking facilities (DIBFs).

The suggestion has also received the qualified backing of the New York banking supervisory authorities, in the person of Mrs. Muriel Siebert, the state's superintendent of banks. In a recent statement, while insisting that the banking department would need more resources in order to cope with the extra responsibilities which would be involved, she thought that the proposal was "commendable for its innovativeness and creativity and worthy of the serious consideration New York's Government is giving it."

With this kind of reception, a number of leading U.S. bankers are now hoping that the offshore banking centre in New York could become a reality within quite a short period, say two to three years.

The main impact would be to remove the need for the so-called shadow branches which the U.S. banks have created in places such as the Cayman Islands and the Bahamas. These allow a U.S. bank to use an address which is treated by the Federal Reserve as an overseas branch but which does not require the bank to set up a full operation and transfer its own people to the offshore site.

Arguments

The emphasis of the arguments made by the New York bankers has been on this aspect of the development. But it would be wrong to ignore the potential implications for other more established centres.

They have certainly played an important part in the arguments which have been presented in support of the banks' case to the U.S. authorities. They have stressed the increase in employment which would be brought to New York as a result of establishing offshore banking operations and the opportunity this would present to re-establish the city as the international banking headquarters of the world.

As summarised by the economic affairs cabinet the banks believe "they may be able to siphon certain types of banking business from Europe and the Middle East which is now conducted through European branches."

The City of London has a great deal going for it in maintaining its present role in world banking: its advantages include both expertise and geographical position in relation to the worldwide time zones. For the American banks, it will certainly remain among the most important outposts for international activities.

Nevertheless, the incentive to expand in London will be noticeably reduced if the DIBFs get off the ground in New York, and since the U.S. banks provide the backbone of the City's euro-dollar markets the result could be a marked relative decline in the importance of London.

Dreaming of a long, hot summer

WINE

BY EDMUND PENNING ROWSELL

AFTER A LONG and exceptionally hot summer without rain, the 1978 vintage began earlier than usual, and, though perhaps smaller than the recent average, has turned out very well, with excellent wines made of all types.

This assessment is not the prematurely released statement of a euphoric European Minister of Agriculture or the report of a wine-washed journalist; for the country concerned is Australia, where this year's vintage began at the end of January and generally finished in April, though a little late picking has continued into May. A vintage appreciation can, however, be no more than a generalisation, for Australia is as much a continent as a country, and at least some wine is made in each of the six states, though marginal in Queensland and fragmentary as yet in Tasmania. It is hard for those of us brought up on Mercator's Projection to envisage the enormous dispersal of Australia's vineyard areas and the great distances that can separate them. One way of illustrating this is to bear in mind that the distance between the vineyards near Perth in Western Australia and those to the north of Sydney in New South Wales is much the same as that between Bordeaux and Moscow.

These distances have been a powerful influence in shaping the pattern of Australian wine production, though not in the way that might be expected. It might be thought that they would widely differ from state to state, and district to district, as they do in the much more confined wine areas of Western Europe, and of course they do vary, but their similarity is more marked than their divergence. In other words one may find the same grape varieties grown for wine in the four major wine producing states, and fairly similar wines result from them. Also each area will not, as in Europe, content itself with producing a particular kind of wine, but will offer the whole gamut. Firms large and small may make not just red and white table wines, roughly graded as claret, burgundy, Rhône, Loire and German—all from different grapes grown in the same vineyard—but also sherry, port and, by the larger concerns, sparkling wines and brandy too.

Reasons

The reasons for this are partly historical, partly geographical. Consumers, and their retail suppliers, have expected to be provided from one source with all they want in the way of wines and spirits, with the exception of imported drinks, and not have to rely on sources thousands of miles away. The advantages of this are obvious but confusing, as I found on a visit last month to most of the major wine areas. Whereas in the Moselle one expects to taste a particular kind of wine, and quite distinct types in Oporto and Jerez, in Sydney and Perth one may be confronted with them all, and topped up with a sparkling wine that the Australians call champagne and a brandy which they fortunately refrain from naming as Cognac.

Not, be it said at once, that all these wines taste like those made from identical European grapes. For example, that rather dull Bordeaux variety, the Sémillon, normally blended with the Sauvignon to give some character and flavour, in Australia produces a white-burgundy-style wine that can be excellent. Then the Pinot Noir gives a wine that in more ways than one is a pale imitation of red burgundy. The ports are agreeable, but very different from those made in the Douro. Yet there are also wines that closely resemble their European origin, including Cabernet-Sauvignon and Rhine Riesling, which are usually of fine quality, and which in a blind tasting might confuse many a Master of Wine as to their origin.

Many of the wines are blends from grapes that in Europe would not be mixed: for example Shiraz (the Syrah of the Rhône) and Cabernet-Sauvigon, Traminer and Riesling. There are not many European grapes producing quality wines that cannot be found somewhere in Australia, and this reflects the continuing search for excellence at all levels that impressed me most in my trans-continental trip. I was struck not only by the evident expertise and skill of the producers, and their up-to-date equipment, in small wineries as well as in the large concerns, but also by the readiness of all to discuss their problems, their aspirations and even their shortcomings in a way unlikely to be found in Europe.

Moreover unlike in Europe where control of quality has been imposed from above, in Australia few regulations exist, apart from labelling restrictions. No delimited areas, no authorised grape varieties, no controls on pruning, no minimum strengths or maximum permitted yields. Anyone with land can plant anywhere what grapes he likes, the test, of course, being the ability to produce a saleable wine.

Great encouragement and stimulation have been given to growers and wine makers by the extraordinary increase in wine-drinking in Australia in the last 20 years. The statistics tell the story. In 1959-60, total sales at wholesale level of table wines, that here include sparkling wines, were 13 million litres; in 1976-77 they had reached 124 million litres. By 1970-71 consumption per head had risen from a negligible level to 5.73 litres, and by 1975-76 had jumped further to 13.3 litres—nearly 18 bottles, compared with about nine in the U.K. And less than 4 per cent. is imported wine.

This has brought its problems: over-planting and a recent switch in taste to white wines from the red on which the expansion of demand was based. To help the growers after the record 1977 vintage the big private firms and the co-operatives took in more black grapes than they needed. This year they have had to hold back, and some remained on the vines. More long-term has been the change from the fortified, dessert-style wines that 20 years ago accounted for over 80 per cent. of the market. To-day it represents less than one-third, and the trend towards lighter wines seems likely to continue.

This shift has encouraged a new generation of growers, who might be called amateurs where their proficiency and dedication to good wine production is not so evident from their results, a large proportion of which are sold at the cellar-door. Most, however, of the 4,500 growers sell their grapes to the larger concerns, such as Lindemans, McWilliams, Penfolds and the co-operatives. The abundance of different wines derived from no more than about 150,000 acres—less than the appellation contrôlée area of Bordeaux—is shown by the approximately 100 young and old vintage wines released on to the market each month. Probably there are too many wines from too many sources, but this diversity makes for interest and stimulus in a country still new to wine drinking as it is understood in Europe.

Exports

A firmer export market would help greatly the larger firms. For gone is the dependence on the U.K. for taking the sweet fortified wines that were once the stand-byes of maiden ladies and seaside boarding houses. More serious, our EEC membership has created a tariff wall against the entry of Australian wines, and combined with high freight costs, the drop in sterling and prices less than competitive with low-market-level wines from elsewhere, these have virtually excluded on any scale the new generation of table wines. Having sampled a large number on the spot, I regard this as a distinct loss to us, for the general level of quality is higher than most of the wines sold here in the low to middle price range. In further articles I will write more about the Australian wine scene and the wines themselves.

Piggott will set Improbable pace for Hawaiian Sound

RACING

BY DOMINIC WIGAN

RARELY DOES Lester Piggott team up with a *second-string* runner and many racegoers at Chester to-day will be interested to see how the nine-times champion fares on Improbable in the feature event, the Chester Vase.

This bay Gleaming colt is likely to cut out the early running for his much-vaunted stable companion, Ernie Johnson's mount Hawaiian Sound who in two races this season has gone a long way to justifying the praise lavished on him last summer by Barry Hills.

I was particularly impressed by Hawaiian Sound's effort in the Heath Stakes at Newmarket on his *last* appearance. Striding out impressively from the outset the Hawaii colt—rated superior to stablemate Sexton Blake—had his opponents in trouble fully three furlongs out.

At the line, the Lambourn colt, a powerfully made stable companion to Enstone Spark, had five lengths to spare over M-Lolshan, to whom he was conceding 3 lbs.

Although the Ryan Price-trained runner-up has since let the form down with a disappointing effort at Newcastle, I feel sure it would have taken an extremely smart colt to have lowered the colours of Hawaiian Sound on the day of the Heath Stakes, and I suggest he will add to his considerable winnings.

The Queen's Roberto colt, Duke of Normandy, a particularly game winner of a nursery at Newbury last September under 9 st 6 lb and easy conqueror of Crested Glebe in the Warren Stakes at Epsom on his reappearance, looks to be the one for the forecast.

Reg Hollinshead has his horses in fine trim and the well-drawn Oh Simmie, a close second to Hazard Chase at Haydock last time out, looks capable of giving the trainer another victory in the Prince of Wales Handicap.

● Ubedizzy, the horse recently seen by millions of television viewers savaging a stable lad will not run again in Britain. His trainer, Steve Nesbitt, has given this undertaking to the Jockey Club, which held an inquiry into the affair.

CHESTER

2.15—Salbob
2.45—Overlook
3.15—Hawaiian Sound***
3.45—Obraztsovy
4.15—Oh Simmie**
4.45—Petronisi*

TV Radio

† Indicates programmes in black and white

BBC 1

6.40-7.55 a.m. Open University. 9.38 For Schools, Colleges. 12.20 p.m. Dechrau Canu Dechrau Canmol. 12.45 News. 1.00 Pebble Mill. 1.45 Ragtime. 2.00 You And Me. 2.14 For Schools, Colleges. 3.05 Racing from Chester. 3.53 Regional News for England (except London). 3.55 Play School. †4.20 Champion the Wonder Horse. 4.45 Goober and the Ghost Chasers. 5.05 John Craven's Newsround. 5.10 Stopwatch.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.50 The Feather and Father Gang.
7.40 It Ain't Half Hot Mum.
8.10 The Standard.
9.00 News.
9.25 Play For To-day.
11.30 To-night.
12.00 a.m. Weather / Regional News.

All regions as BBC 1 except at the following times:

Wales—5.55-6.20 p.m. Wales To-day. 6.50 Heddiw. 7.15 Teithi'r Tir. 7.45-8.10 To-morrow's World. 12.00 News and Weather for Wales.

Scotland—5.55-6.20 p.m. Reporting Scotland. 7.40-8.10 The Good Life. 12.00 News and Weather for Scotland.

Northern Ireland — 3.53-3.55 Northern Ireland News. 5.55-6.20 Scene Around Six. 12.00 News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Points West (Bristol); South To-day (Southampton); Spotlight South-West (Plymouth).

BBC 2

All reigons as BBC-1 except at the following times:

6.45 -7.55 a.m. Open University.
10.30 On Union Business.
11.00 Play School.
11.25 Other People's Children.
2.00 p.m. Racing from Chester.
3.05 Having a Baby.
3.30 The Living City.
4.55 -7.00 Open University.
7.00 News on 2 Headlines.
7.05 A Woman's Place?
7.30 Newsday.
8.10 Chronicle.
9.00 Rhoda.
9.25 The Man Alive Report.
10.15 Living on the Land.
10.40 Late News on 2.
10.50 The Old Grey Whistle Test.
11.30 Closedown reading.

LONDON

9.30 a.m. Schools Programmes. 11.55 Beany and Cecil Cartoon. 12.00 Paperplay. 12.10 p.m. Daisy, Daisy. 12.30 Parent's Day. 1.00 News plus FT index. 1.20 Help! 1.30 Crown Court. 2.00 After Noon. 2.25 Sam. 3.20 City in a Dream. 4.20 Paul. 4.45 Magpie. 5.15 The Brady Bunch.

5.45 News.
6.00 Thames At 6.
6.35 Crossroads.
7.00 The Six Million Dollar Man.
8.00 Rising Damp.
8.30 Armchair Thriller.
9.00 ITV Playhouse.
10.00 News.
10.30 Opium.
11.30 Man and Woman.
12.00 The Andy Williams Show.
12.25 a.m. Close: Jo Maxwell Muller reads poetry by Laurie Lee.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.15 Emmerdale Farm. 6.00 About Anglia. 7.00 Challenge of the Sexes. 7.30 Get Some In! 8.30 Armchair Thriller. 9.00 ITV Playhouse. 11.30 Welcome Stranger. 12.25 a.m. Anthology.

ATV

1.20 p.m. ATV Newsdesk. 5.15 Laverne and Shirley. 6.00 ATV To-day. 7.00 Emmerdale Farm. 7.30 England Their England: Camera in the Streets. 11.30 Marcus Welby MD.

BORDER

†1.20 Border News. 2.00 Houseparty. 5.15 Out of Town. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 7.30 Get Some In! 11.30 Baretta. †12.25 a.m. Border News.

CHANNEL

5.15 p.m. Flintstones. 6.00 Channel News. 6.05 Castaway. 7.00 Treasure Hunt. 7.30 Charlie's Angels. 12.00 Oscar Peterson. 12.25 a.m. Weather.

GRAMPIAN

9.25 a.m. First Thing. 1.20 p.m. Grampian News. 5.15 Challenge of the Sexes. 6.00 Grampian To-day. 6.05 Country Focus. 7.00 Emergency. 12.00 Reflections. 12.05 a.m. Night Gallery. 12.30 Grampian Headlines.

GRANADA

1.20 p.m. This Is Your Right. 5.10 What's New. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Bionic Woman. 12.00 Drive In.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.15 Popeye. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Emmerdale Farm. 7.00 Bionic Woman. 11.30 Police Woman. 12.25 a.m. Weather.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.20 Miri Mawr. 4.30-4.45 Seren Wib. 6.00-6.15 Y Dydd. 10.30 Yn Ddeg Oed. 11.30 World in Action. 12.00 Happy Days. 12.30 a.m. Weather.

HTV West—As HTV General Service except 10.00 Look Around. 1.20-1.30 Report West headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 p.m. News and Road Report. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland To-day. 6.30 What's Your Problem? 7.00 Emmerdale Farm. 7.30 Get Some In. 11.30 Late Call. 11.35 Within These Walls.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 7.00 Emmerdale Farm. 7.30 Get some In! 11.30 Southern News Extra. 11.40 Drive-In. 12.30 a.m. Police Surgeon. 12.35 Weather, followed by The Rock of Doubt.

TYNE TEES

9.25 a.m. Good Word, North East News. 1.20 p.m. North East News. 5.15 Friends of Man. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Get Some In! 11.30 Police Surgeon. 12.00 Epilogue.

ULSTER

1.20 p.m. Lunchtime. 4.18 Ulster News Headlines. 5.15 Friends of Man. 6.00 Ulster News. 6.05 Crossroads. 6.30 Reports. 7.00 Emmerdale Farm. 7.30 Get Some In. 11.30 Gardening To-day. 12.00 Bedtime.

WESTWARD

1.20 p.m. Westward News. 5.15 The Flintstones. 6.00 Westward Diary. 7.00 Treasure Hunt. 7.30 Charlie's Angels. 10.28 Westward Late News. 12.00 Oscar Peterson. 12.25 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.15 Challenge of the Sexes. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Get Some In! 11.30 Drive-In.

RADIO 1 247m

(S) Stereophonic broadcast

5.00 a.m. As Radio 2. 7.02 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 12.30 Newsbeat. 2.00 p.m. Tony Blackburn. 4.31 Kid Jensen, including 5.30 Newsbeat. 7.30 Sports Desk (Joins Radio 2). 10.02 John Peel (S). 12.00-2.02 a.m. As Radio 2.

VHF Radios 1 and 2: 5.00 a.m. With Radio 2 including 1.55 p.m. Good Listening. 10.00 With Radio 1. 12.00-2.02 a.m. With Radio 2.

RADIO 2 1,500m and VHF

5.00 a.m. News. 5.02 Ray Moore (S) with The Early Show, including 6.15 Pause for Thought. 7.32 Terry Wogan (S), including 8.27 Racing Bulletin. 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 p.m. Waggoners' Walk. 12.30 Pete Murray's Open House (S), including 1.45 Sports Desk. 2.30 David Hamilton (S), including Racing from Chester 2.45, 3.15, 3.45. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.50 John Dunn (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Folk 78 (S). 7.30 Sports Desk. 7.33 On the Third Beat (S). 8.02 Nordring Rendezvous (S). 9.02 Among Your Souvenirs (S). 10.02 Three in a Row. 10.30 It's Funny Business. 11.02 Tennis. The WCT Singles Finals: report. 11.03 Brian Matthew, including 12.00 News; Tennis: further report. 2.00-2.02 a.m. News.

RADIO 3 464m, Stereo & VHF

†6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S) Rossini, Mozart, Britten. 9.00 News. 9.05 This Week's Composer: Purcell (S). 9.40 Piano Recital (S) Bach, Haydn, Faure, Debussy, Prokofiev. 10.55 Joseph Holbrooke and Leo Wurmser (S) part 1. 11.25 In Short. 11.35 Recital (S) part 2. 12.10 p.m. Mid-day Prom (S) part 1: Liszt, Rachmaninov. 1.00 News. 1.05 The Arts Worldwide. 1.20 Mid-day Prom (S) part 2: Brahms. 2.10 Schubert from Bristol (S). 3.10 A Little Light Music (S). 4.05 Voices and Guitar (S). 5.15 Jazz To-day (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Lifelines: Work and Training. 7.30 Bristol Proms 78 (S) part 1: Brahms, Tchaikovsky. 8.25 A Labour of Love. 8.45 Bristol Proms 78 (S) part 2: Elgar. 9.25 Siegfried Sassoon: Poet's Pilgrimage (S). 10.45 From the 1977 Berlin Festival (S). 11.35 News. 11.40 To-night's Schubert Song.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.15 a.m. News. 6.17 Farming To-day. 6.35 Up to the Hour. 7.00 News. 7.10 To-day. 7.35 Up to the Hour (continued). 8.00 News. 8.10 To-day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 Heroes for a Time. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Thirty-minute Theatre. 11.35 Pacific. 12.00 News. 12.02 p.m. You and Yours. 12.20 Desert Island Discs. 12.55 Weather. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour, including 2.00 News. 2.45 Listen with Mother. 3.00 News. 3.10 Questions to the Prime Minister "live" from the House of Commons. 3.35 Money Box. 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 Serendipity. 5.55 Weather. 6.00 News. 6.30 Just a Minute (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Bristol Proms 78 (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.30 Not Now, I'm Listening Again. 11.00 A Book at Bedtime. 11.15 The Financial World To-night. 11.30 To-day in Parliament. 12.00 News. 12.20 a.m. Inshore Forecast.

BBC Radio London

206m and 94.9 VHF

5.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 p.m. Call In, including 1.00 London News Desk. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 All that Jazz. 10.03 Late Night London. 12.00 As Radio 2. 12.05 a.m. Question Time from the House of Commons. 1.05 -Close As Radio 2.

London Broadcasting

261m and 97.3 VHF

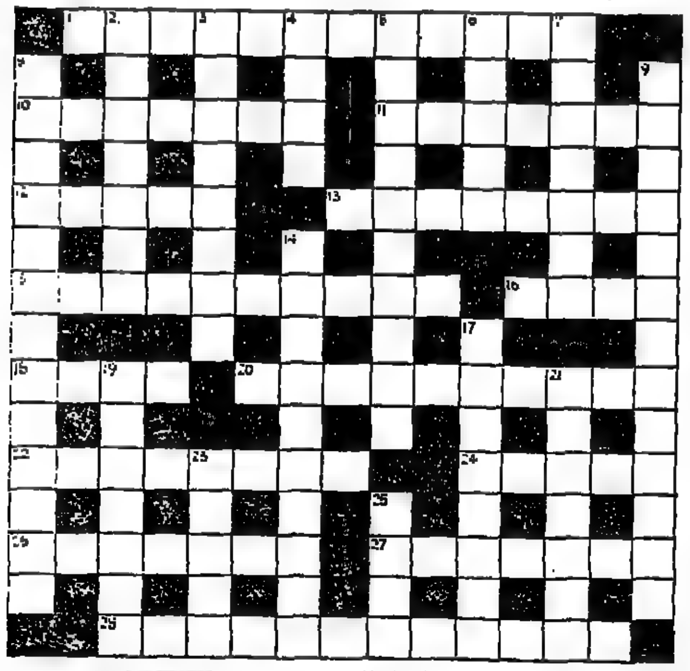
5.00 a.m. Morning Music. 6.00 A.M.: Non-stop news, information, travel, sport and reviews. 10.00 Brian Hayes Show. 1.00 p.m. LBC Reports. 3.00 George Gale. 4.00 LBC Reports. 8.00 After Eight with Ian Gilchrist. 9.00 Nightline with Bryn Jones. 1.00-5.00 a.m. Night Extra with Alan King.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 p.m. Roger Scott (S). 7.00 London To-day, including Prime Minister's Question Time (S). 7.30 Bryan Wolfe's Open Line (S). 9.00 Your Mother Wouldn't Like It with Nicky Horne (S). 11.00 Tony Myatt's Late Show (S). 2.00 a.m. Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 3,662



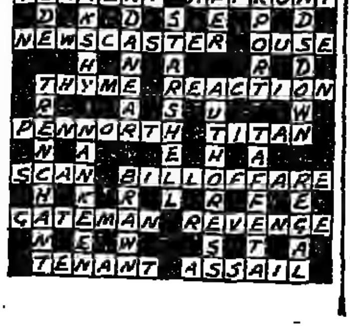
ACROSS

1 Have equal power to turn like soldiers forming part of watch (7-5)
10 Cuts between Orientals to overshadow (7)
11 Let hang awry all along one side (7)
12 Part of opinion held at back of head (5)
13 A quick way to make tobacco (5-3)
15 Basic but essential part of a railway (10)
16 Song of joy (4)
18 Got back a cloak (4)
20 Scrutinise lad returning ring to us—it's disgraceful (10)
22 Earth terminal or just a slow mover (8)
24 Literally he is supple (5)
26 Hang friend in the east for class (7)
27 Drive back soldiers with beans (7)
28 Preparing feathers for scolding (8-4)

DOWN

2 Omniscient always the cockney says (3-4)
3 Added a very soft finish to edition (8)
4 Eight sailors? (4)
5 Wearing outside article or wearing away (10)
6 Chieftain's making them ever shorter (5)
7 Soldier in pub? It's reasonable! (7)
8 Mend station that is damaged by deposit (13)
9 Hero with verse arranged for whatever place (13)
14 Humidity of firewood in eastern ship (10)
17 Irritated about work and ran fast (8)
19 Fish to catch for decoration (7)
21 Leak out before wolf turns up (7)
23 Drink about four to become alert (5)
25 Right in the spirit to smirk (4)

SOLUTION TO PUZZLE No. 3,661



ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office.

OPERA & BALLET

COLISEUM. Credit cards 01-240 5258 Reservations 01-836 3161 ENGLISH NATIONAL OPERA Ton't. & Fri. next 7.30 The Two Foscari: Tomor. 7.30 La Traviata (final perf.). Thur. & Sat. next 7.30 Count Ory. 104 balcony seats always available day of performance.

COVENT GARDEN. CC. 240 1066. (Gardencharge credit cards 836 6903) THE ROYAL OPERA Tomorrow and Sat. 7.00: Otello Thurs. 7.00: Le nozze di Figaro; Fri. 7.30: Peter Grimes. 65 Amphi seats avail. for all perfs. from 10 a.m. on day of perf.

SADLER'S WELLS THEATRE, Rosebery Ave., E.C.1. 837 1672. Until Sat. SADLER'S WELLS ROYAL BALLET Evgs. 7.30. Sat. Mats. 2.30. Ton't. Tomor. & Thurs.: Concerto Barocco, Rashomon, The Dream. Fri. & Sat.: Brouillards, Game Piano. La Boutique Fantasque. May 15-27 KATHAKALI Dancers from Kerala, India.

THEATRES

ADELPHI THEATRE. CC. 01-836 7611. Evgs. 7.30. Mats. Thurs. 3.00. Sat. 4.00. IRENE THE BEST MUSICAL OF 1976, 1977 and 1978! IRENE "LONDON'S BEST NIGHT OUT." Sunday People. ALREADY SEEN BY NEARLY ONE MILLION HAPPY THEATREGOERS. CREDIT CARD BOOKINGS 836 7611.

ALBERY. 836 3878. Party Rates. Credit card bkgs. 836 1071-2 (from 9 a.m. to 6 p.m.). Mon., Tues., Wed. and Fri. 7.45 p.m. Thurs. and Sat. 4.30 and 8.00 "A THOUSAND TIMES WELCOME IS LIONEL BART'S MIRACULOUS MUSICAL." Fin. Times. OLIVER with ROY HUDD and JOAN TURNER "CONSIDER YOURSELF LUCKY TO BE ABLE TO SEE IT AGAIN." Daily Mirror.

ALDWYCH. 836 6404. Info. 836 5332. ROYAL SHAKESPEARE COMPANY in repertoire. Tonight 7.30 HENRY V. "Glorious piece of work." Times. With: HENRY VI Part 1 (tomor.), Part 2 (Thur), Part 3 (Fri.). RSC also at THE WAREHOUSE (see under W) and at the Piccadilly Theatre in Peter Nichols' PRIVATES ON PARADE.

AMBASSADORS. 01-836 1171. Nightly at 8.00. Mats. Weds. 2.45. Sats. 5.00 and 8.00. PATRICK CARGILL and TONY ANHOLT in SLEUTH The World-famous Thriller by ANTHONY SHAFFER. "Seeing the play again is in fact an utter and total joy." Punch.

APOLLO. 01-437 2663. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.00 and 8.00. DONALD SINDEN Actor of the Year. E. Std. "IS SUPERB." N.o.W. SHUT YOUR EYES AND THINK OF ENGLAND "WICKEDLY FUNNY." Times.

ARTS THEATRE. 01-836 2132. TOM STOPPARD'S DIRTY LINEN "Hilarious . . . see it." Sunday Times. Monday to Thursday 8.30. Friday and Saturday at 7.0 and 9.15.

ASTORIA THEATRE, Charing X Rd. (with fully licensed Restaurant). 01-734 4291. Nearest tube Tottenham Ct. Rd. Mon.-Thurs. 8.00 p.m. Fri. and Sat. 6.00 and 8.45. Instant credit card booking. ELVIS "Infectious, appealing, foot-stomping and heart-thumping." Observer. ELVIS Seat prices £1.50-£5.50. Dinner-Top price seat £8.50. Half hour before show any available top-price tickets £2.50. Mon.-Thurs. and Fri. 6.00 p.m. perf. only. BEST MUSICAL OF THE YEAR EVENING STANDARD AWARD

CAMBRIDGE. 836 6056. Mon. to Thurs. 8.00. Fri., Sat. 5.45 and 8.30 IPI TOMBI Exciting Black African Musical "The girls are beautiful, bare and bouncing." S. Mirror. THIRD GREAT YEAR Dinner and top-price seat £8.75 incl.

CHICHESTER. 0243 81312. Tonight, May 10, 12 at 7.00. May 11 and 13 at 2.00 and 7.00. A WOMAN OF NO IMPORTANCE

COMEDY. 01-930 2578. Evening 8.00. Thurs. 3.00 Sat. 5.30, 8.30. MOIRA LISTER, TONY BRITTON Margaret COURTENAY, Dermot WALSH THE HIT COMEDY THRILLER MURDER AMONG FRIENDS "Blackmail, armed robbery, double bluff and murder." Times. "A good deal of fun." Evening News.

CRITERION. Credit Cards 930 3216. Evenings 8.0. Sats 5.30, 8.30. Thur. 3.0. LESLIE PHILLIPS in SIX OF ONE (formerly "Sextet") "VERY FUNNY." S. Tel. SECOND HILARIOUS YEAR.

DRURY LANE. 01-836 8108. Every night 8.00. Matinee Wed. and Sat. 3.00. A CHORUS LINE "A rare, devastating, joyous, astonishing stunner." Sunday Times.

DUCHESS. 836 8243. Mon. to Thurs. Evgs. 8.00. Fri., Sat. 6.15 and 9.00. OH! CALCUTTA! "The Nudity is stunning." Daily Tel. 8th Sensational Year.

DUKE OF YORK'S. 01-836 5122. Evgs. 8.0. Mat. Wed. and Sat. at 3.00. JOHN GIELGUD in Julian Mitchell's HALF-LIFE A NATIONAL THEATRE PRODUCTION "Brilliantly witty . . . no one should miss it." Harold Hobson (Drama). Instant credit card reservations. Dinner and top-price seat £7.00.

FORTUNE. 836 2238. Evgs. 8.0. Thurs 3. Sat. 5.00 and 8.00. Muriel Pavlow as Miss MARPLE in AGATHA CHRISTIE'S MURDER AT THE VIVARAGE Third Great Year

GARRICK THEATRE. 01-836 4601. Evgs. 8.0. Mat. Wed. 3.0. Sat. 5.30, 8.30. TIMOTHY WEST, GEMMA JONES MICHAEL KITCHEN in HAROLD PINTER'S THE HOMECOMING "BRILLIANT—A TAUT AND EXCELLENTLY ACTED PRODUCTION." D. Tel. "AN INEXHAUSTIBLY RICH WORK." Gdn. "NOT TO BE MISSED." Times.

GLOBE THEATRE. 01-437 1592. Evgs. 8.15. Wed. 3.0. Sat. 6.0, 8.40. PAUL EDDINGTON, JULIA McKENZIE BENJAMIN WHITROW in ALAN AYCKBOURN'S New Comedy TEN TIMES TABLE "This must be the happiest laughter-maker in London." D. Tel. "An irresistibly enjoyable evening." Sunday Times.

GREENWICH THEATRE. 858 7755. Evgs. 7.30. Mat. Sat. 2.30. ARMS AND THE MAN. A Comedy by George Bernard Shaw. "Felicity Kendal in her best performance to date." Observer.

HAYMARKET. 01-930 9832. Evgs. 8.00. Mats. Weds. 2.30. Sat. 4.30 and 8.00. INGRID BERGMAN WENDY HILLER DEREK GODFREY DORIS HARE FRANCES CUKA in WATERS OF THE MOON "Ingrid Bergman makes the stage radiate—unassailable charisma." Daily Mail. "Wendy Hiller is superb." Sun. Mirror.

THEATRES

HER MAJESTY'S CC 01-930 6606. Evenings 8.00. Mats. Wed. & Sat. 3.00. BRUCE FORSYTH in LESLIE BRICUSSE and ANTHONY NEWLEY'S TRAVELLING MUSIC SHOW with Derek Griffiths Directed by BURT SHEVELOVE "It is packed to bursting point with the personality and sheer energy of Bruce Forsyth." Sun. Express. "The audience cheered." Sunday Telegraph.

KING'S ROAD THEATRE. 352 7488. Mon. to Thurs. 9.0. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW NOW IN ITS 5th ROCKING YEAR THE GREAT ROCK 'N' ROLL MUSICAL

LONDON PALLADIUM. CC. 01-437 7373. Opening Thursday, May 25 at 7 for the Summer Season (to August 19 only). Subs. Mon., Tues., Thurs. & Fri. at 8. Weds. and Sats. at 6.10 and 8.50. RONNIE CORBETT RONNIE BARKER THE TWO RONNIES in a spectacular COMEDY REVUE with great international company ALL SEATS BOOKABLE NOW £4.50, £3.75, £3.00, £2.50, £1.50 Special Booking Hotline 437 2055.

LYRIC THEATRE. CC. 01-437 3686. Eve. 8.0. Mat. Thurs. 3.0. Sat. 5.0 and 8.30. JOAN PLOWRIGHT COLIN BLAKELY and PATRICIA HAYES in FILUMENA By EDUARDO FILIPO Directed by FRANCO ZEFFIRELLI "TOTAL TRIUMPH." D. Mirror. "MAY IT FILL THE LYRIC FOR A HUNDRED YEARS." Sunday Times.

MAY FAIR. CC. 629 3036. Mon. to Fri. 8.0. Sat. 5.30 and 8.45. GORDON CHATER "Brilliant." E.N. in THE ELOCUTION OF BENJAMIN FRANKLIN by Steve J. Spears "A compassionate, funny, fiercely eloquent play." Gdn. "Hilarious." E.Std. "Wickedly amusing." E. News. "Spellbinding." Obs.

MERMAID. 248 7656. Restaurant 248 2835. TOM CONTI, JANE ASHER in WHOSE LIFE IS IT ANYWAY? The Smash hit acclaimed by every critic. Evgs. 8.15. Matinees Fri. and Sat. 5.15. From May 17 Wed.-Sat. 8.30. Mats. Wed., Fri. and Sat. 5.45. ALEC McCOWEN'S ST. MARK'S GOSPEL Suns. 7.30. Mons. and Tues. 8.15 from May 15th

NATIONAL THEATRE 928 2252 OLIVIER (open stage): Ton't. 7 (note early start) BRAND by Ibsen in a version by Geoffrey Hill. Tomor. 7.30 The Cherry Orchard. LYTTELTON (proscenium stage): Ton't. & Tomor. 7.45 PLENTY a new play by David Hare. COTTESLOE (small auditorium): Fri. & Sat. 8 LOST WORLDS by Wilson John Haire. Many excellent cheap seats all 3 theatres day of perf. Car park. Restaurant 928 2033. Credit card bkgs. 928 3052.

OLD VIC. 928 7616. PROSPECT AT THE OLD VIC New season to May 20th Eileen Atkins as SAINT JOAN "A stunning production." Sun. Telegraph. Today, Wed., Thurs. 7.30. TWELFTH NIGHT "An outstanding revival." The Times. Fri. 7.30. Sat. 2.30 and 7.30. Sunday at The Old Vic May 14 Timothy West, Prunella Scales in SMITH OF SMITHS International season Lila Kedrova, Jean Marais in LES PARENTS TERRIBLES May 22-27 THE TURKISH CLOGS May 29-June 3 La Barca Restaurant, opposite The Old Vic—open before or after the show.

OPEN AIR. Regent's Park. 486 2431. A MIDSUMMER NIGHT'S DREAM from 29th May. Bernard Shaw's THE MAN OF DESTINY and THE DARK LADY OF THE SONNETS joins repertoire July 17.

PHOENIX. 01-836 2294. Evenings 8.15. Friday and Saturday 6.0 and 8.40. "TIM BROOKE-TAYLOR, GRAEME GARDEN makes us laugh." D. Mail in THE UNVARNISHED TRUTH The Hit Comedy by ROYCE RYTON. "LAUGH, WHY I THOUGHT I WOULD HAVE DIED." Sun. Times. "SHEER DELIGHT." E. Stand. "GLORIOUS CONTINUOUS LAUGHTER." Times.

PICCADILLY. 437 4506. Credit card bkgs. 836 1071-3 from 9 a.m.-6 p.m. Evgs. 8. Sat. 4.45 & 8.15. Wed. mat. 3. Royal Shakespeare Company in AN OUTRAGEOUS ADULT COMEDY by Peter Nichols PRIVATES ON PARADE "Riproaring triumph." S. Express. BEST COMEDY OF THE YEAR Ev. Std. Award and S.W.E.T. Award Wed. Mat. Stall Seats from £1.20 RSC also at the Aldwych and Warehouse Theatres.

PRINCE EDWARD. CC. (formerly Casino). 437 6877. Previews from June 12. Open June 21 EVITA.

PRINCE OF WALES. CC. 01-930 8681. Monday to Friday at 8 p.m. Sat. 5.30 and 8.45. Mat. Thurs. 3.00. "HILARIOUS COMEDY MUSICAL." The Sun. ROBIN ASKWITH in I LOVE MY WIFE "NAUGHTY BUT NICE WITH A LOT OF LAUGHS." News of the World. CREDIT CARD BOOKINGS 01-930 0846.

QUEEN'S THEATRE. CC. 01-734 1166. Evenings at 8.00. Sat. at 5.0 and 8.30. ALEC GUINNESS BEST ACTOR OF THE YEAR Variety Club of GB Award THE OLD COUNTRY A New Play by ALAN BENNETT Directed by CLIFFORD WILLIAMS BEST PLAY OF THE YEAR Plays and Players London critics award.

RAYMOND REVUEBAR. CC. 01-734 1593 At 7 p.m., 9 p.m., 11 p.m. (open Sun). PAUL RAYMOND presents THE FESTIVAL OF EROTICA Fully Air Conditioned. You may drink and smoke in the auditorium.

REGENT THEATRE. 01-637 9863. Wed. at 8. Opens Thur. at 7 Open May 15th 7.0. Subs 8.30. Fri. and Sat. 6 and 8.45. Credit Cards accepted THE CLUB. A musical diversion

RIVERSIDE STUDIOS. (748 3354). TONIGHT 7.30. Tues-Suns. 8 p.m. (No perfs. Mondays) PIP SIMMONS Theatre Group presents THE TEMPEST

ROYAL COURT. 730 1745. Prevs. Ton't. Tomor., Mon., Tue. & Wed. at 8. Opens Thur. at 7 THE GLAD HAND by Snoo Wilson. World Premiere.

ROYALTY. Credit Cards. 01-405 8004. Monday-Thursday Evenings 8.00. Friday 5.30 and 8.45. Saturdays 3.00 and 8.00. London critics vote BILLY DANIELS in BUBBLING BROWN SUGAR Best Musical of 1977 Bookings accepted. Major credit cards. Special reduced rates for matinees (for a limited period only).

SAVOY. 01-836 8888. Opens Tomor. 7.0 Sub. Evg. 8.00. Mat. Wed. 3.00. Sat 5.30, 8.30 RALPH RICHARDSON Michael GAMBON, Michael JAYSTON, Gary BOND Joanna VAN GYSEGHEM, Geoffrey KEEN in ALICE'S BOYS

THEATRES

SHAFTESBURY. CC. 836 6596. Shaftesbury Ave WC2 (High Holborn end) Evgs. at 8.00. Mats. Thurs, Sat 3.00. JOHN REARDON and JOAN DIENER in KISMET "A SMASH HIT: THIS MUSICAL HAS EVERYTHING." S. Mirror. CREDIT CARD BOOKING 836 6597.

SHAW THEATRE. 01-388 1394. ROOTS by Arnold Wesker Evgs. 7.30. Mat. Thur. 2.30.

STRAND. 01-836 2660. Evenings 8.00. Mat. Thurs. 3.00. Sat. 5.30 and 8.30. NO SEX PLEASE— WE'RE BRITISH THE WORLD'S GREATEST LAUGHTER MAKER

STRATFORD-UPON-AVON. Royal Shakespeare Theatre (0789 2271). Tickets immediately available for RSC in THE TAMING OF THE SHREW May 18 (Mat.), 24 (mat.), June 1 (mat.) THE TEMPEST May 23, 24, 25 (mat.). Recorded booking info. (0789 69191).

ST. MARTIN'S. CC. 836 1443. Evgs. 8.00. Mat. Tues. 2.45. Sats. 5 and 8. AGATHA CHRISTIE'S THE MOUSETRAP WORLD'S LONGEST-EVER RUN 26th YEAR

TALK OF THE TOWN. CC. 734 5051. 8.00 Dining, Dancing. 9.30 Super Revue RAZZLE DAZZLE and at 11 p.m. FRANKIE STEVENS

THEATRE UPSTAIRS. 730 2554. Until Fri. Evgs. 7.30 SHARED EXPERIENCE in Dickens' BLEAK HOUSE (in 4 parts in Repertoire) Sat. & Sun. 4 p.m. & 8 p.m. all 4 parts in 2 days £5

VAUDEVILLE. 836 9988. CC. Evs. at 8.00. Mat. Tues. 2.45. Sat. 5 and 8. Dinah SHERIDAN, Dulcie GRAY Eleanor SUMMERFIELD, James GROUT A MURDER IS ANNOUNCED THE NEWEST WHODUNNIT by AGATHA CHRISTIE "Re-enter Agatha with another whodunit. Agatha Christie is stalking the West End yet again with another of her fiendishly ingenious murder mysteries." Felix Barker, Evening News.

VICTORIA PALACE. Book Now. 828 4735-6. 834 1317. STRATFORD JOHNS SHEILA HANCOCK ANNIE Evgs. 7.30. Mats. Wed and Sat. 2.45.

WAREHOUSE. Donmar Theatre. Covent Garden 836 6808. Royal Shakespeare Company. Tonight 8.00 Strindberg's THE DANCE OF DEATH (Sold out). Adv. bookings Aldwych.

WESTMINSTER. 01-834 0283. SENTENCED TO LIFE by Malcolm Muggeridge & Alan Thornhill Prevs. from Tomor. 7.45. Mats. Wed. 3.0. Sat. 4.30. Opens May 17.

WHITEHALL. 01-930 6692-7765. Evgs. 8.30. Fri. and Sat. 6.45 and 9.00. Paul Raymond presents the Sensational Sex Revue of the Century. DEEP THROAT Due to overwhelming public demand Season extended.

WINDMILL THEATRE. CC. 01-437 6312. Twice Nightly 8.00 and 10.00. Open Sundays 6.00 and 8.00. PAUL RAYMOND presents RIP OFF THE EROTIC EXPERIENCE OF THE MODERN ERA. "Takes to unprecedented limits what is permissible on our stages." Evg. News. You may drink and smoke in the Auditorium.

WYNDHAMS. 01-836 3028. Credit Card Bkgs. 836 1071-2 from 9 a.m. to 2 p.m. Mon.-Thurs. 8. Fri. and Sat. 5.15, 8.30. "ENORMOUSLY RICH VERY FUNNY." Evening News. Mary O'Malley's smash-hit Comedy ONCE A CATHOLIC "Supreme comedy on sex and religion." Daily Telegraph. "MAKES YOU SHAKE WITH LAUGHTER." Guardian.

YOUNG VIC (near Old Vic). 928 6363. Tonight 7.45 Royal Shakespeare Company in MACBETH (sold out. Only returns on door).

CINEMAS

ABC 1 & 2. Shaftesbury Ave. 836 8861. Sep. Perfs. ALL SEATS BKBLE. 1: THE GOODBYE GIRL (A). Wk. and Sun. 2.00, 5.10, 8.10. 2: SWEENEY 2 (AA). Wk. and Sun. 2.00, 5.10, 8.10.

CAMDEN PLAZA (opp. Camden Town Tube). 485 2443. Melville's classic Resistance thriller THE ARMY IN THE SHADOWS (AA). 3.10, 5.45, 8.25.

CLASSIC 1, 2, 3, 4. Oxford St. (Opp. Tottenham Court Rd. Tube). 636 0310. 1. Bertolucci's 1900 Part 1 (X). Progs. 2.15, 5.15, 8.15. 2. John Thaw, Dennis Waterman SWEENEY 2 (AA). CHARIOTS OF THE GODS (U). Progs. 2.00, 4.55, 7.55. 3. Last 2 days! George Burns "OH GOD" (A). Progs. 2.00, 4.15, 6.30, 8.45. 4. Bertolucci's 1900 Part 2 (X). Progs. 2.30, 5.20, 8.15.

CURZON. Curzon Street, W.1. 499 3737. PARDON MON AFFAIRE (X). (English subtitles). "A sparkling New French Comedy. Directed with finesse by Yves Robert." S. Express. Progs 1.50 (not Sun.), 3.35, 6.10, 8.30 (4th month).

LEICESTER SQUARE THEATRE (930 5252) Shirley MacLaine, Anne Bancroft, Mikhail Baryshnikov in a Herbert Ross film THE TURNING POINT (A). Progs. Wk. 1.05, 4.30, 8.10.

ODEON HAYMARKET (930 2738-2771). Jane Fonda, Vanessa Redgrave in a Fred Zinnemann film JUILA (A). Sep. Progs. Dly. 2.30, 5.45, 8.45. Feature Dly. 2.45, 6.00, 9.00. All seats bkble. at Theatre.

ODEON LEICESTER SQUARE (930 6111). CLOSE ENCOUNTERS OF THE THIRD KIND (A). Sep. progs. Dly. Doors open (10.00 Sat. only) 1.05, 4.15, 7.45. Late perfs Tues.-Sats. Doors open 11.15 p.m. All seats may be booked except 10.00 a.m. prog.

ODEON MARBLE ARCH (723 2011-2). STAR WARS (U). Doors open Dly. 1.30, 4.35, 7.50. All seats bkble. 1.30 perf. Wks.

PRINCE CHARLES. Leic. Sq. 437 8181. SWEPT AWAY (X). Sep. Perfs. Dly. (inc. Sun.). 2.10, 5.25, 8.40. Seats Bkble. Licensed Bar

SCENE 1 & 2. Leic. Sq. (Wardour St.) 439 4470. 1. Woody Allen's EVERYTHING YOU ALWAYS WANTED TO KNOW ABOUT SEX (X). 2.50, 6.00, 9.15. BANANAS (AA) 1.15, 4.25, 7.40. 2. George Burns, John Denver OH GOD! (A). Progs. 1.15, 3.45, 6.15, 8.45.

STUDIO 1, 2, 3, 4. Oxford Circus 437 3300. 1. Gene Wilder as THE WORLD'S GREATEST LOVER (A). Progs. 2.55, 4.35, 6.45, 8.50. 2. THE GOODBYE GIRL (A). Progs. 12.45, 2.45, 5.25, 8.05. 3. IPHIGENIA (A). 12.45, 3.20, 5.55, 8.30. 4. Woody Allen/Diane Keaton Double-Bill SLEEPER (A). 2.35, 5.50, 9.05. LOVE AND DEATH (A). 1.00, 4.15, 7.30.

هكذا فتى الأجل

Covent Garden

Gwyneth Jones

by DAVID MURRAY

Gwyneth Jones gave her "first London recital" on Sunday night, odd though that sounds; but of course what brings her to the Royal Opera House is not normally Lieder. With Geoffrey Parsons at the piano she sang Schubert, Wolf, Berg and Brahms, all with full-throated commitment. It was, I think, the loudest *Liederabend* I have ever heard. Given the sheer size of her voice, and of the auditorium, Miss Jones had evidently decided not to impose unnatural constraints on herself: a reasonable enough decision, though Mr. Parsons is not easily tempted out of his natural discretion. In Berg's rapturous Seven Early Songs, which suited Miss Jones splendidly, his careful tact was no substitute for the fervent abandon needed to match her.

Miss Jones excels in whatever fits an operatic heroine at crisis-point—the effusive, the intense, the ecstatic: Wolf's spring greeting "Er ist's" was Sieglinde in full cry. Elsewhere her touch is less sure. Granted that her climactic notes were apt to spread (and she was recklessly liberal with them: there were several times as many as there were songs), the voice is seductive on a grand scale, and the thrust of each musical phrase is sharply defined. But the thrust of a whole song is more problematic: though Miss Jones seizes a general mood confidently, she lacks the means to shape songs of more complex and ambiguous feelings. Wolf's inspired setting of Mörike's "Im Frühling," for example, obstinately refused to come to life, despite any amount of facial acting-out.

In opera, Miss Jones can let us see what she is; in Lieder the words must carry more of the burden. Only two weeks ago I was remarking that singers approaching the Lied repertoire from opera have the advantage of their range of dramatic colour—but Miss Jones's vocal colour does not vary much, and her German vowels merge indistinguishably in the upper register. A trick of alighting on the lower edge of a note and then snuggling up to the true pitch was singularly unhappy in Schubert. After Berg, the Brahms group suited her best (and it elicited Mr. Parsons' most positive support); the literary-lyrical side of the repertoire—which is to say Wolf, above all—is really not her territory. There is much else in which she can be very stirring, and I must add that her silvery gurgle in the Strauss "Ständchen"—an encore—was delicious.

Sadler's Wells

La Fille mal gardée

by CLEMENT CRISP

The young visitors to the Wells on Saturday afternoon had a splendid time. The scampering down to the rails of the orchestra pit in the intervals to inspect the musicians—and be it said that under Barry Wordsworth and Colin Metters, musical performances this season have been preferable to those obtaining at the Opera House on ballet nights—and the response to the fun of *Fille* were part of a baptism in ballet that I think absolutely vital. (I have yet to understand why the Opera House is so niggardly of ballet matinées: more opportunities for more dancers; more chances for an audience to see the Royal Ballet; more occasions when those living some distance from the capital can see ballet and get home without midnight journeying—these are very important considerations).

Carl Myers and Marion Tait

Saturday's matinée was also a happy affair on stage, with Marion Tait as a sparky, naughty Lise, and Carl Myers attractively youthful as her Colas. This Lise is clearly a chip off the old block of David Bintley's Widow Simone; there is the same bright resource in playing, and the same determination of character. It is exceptional to find an artist as young as Bintley making such sense of a travesty role, but he is, unsurprisingly, excellent. There is a snap to his performance, and also a clear feeling for the logic of the character, and something of that pleasure in the matter of travesty humour that can be seen in such outstanding Northern comedians as Les Dawson, and in an earlier generation Norman Evans. Bintley is a fine Simone, and will be even better when he abandons the trick of "talking himself through" certain scenes: it may aid in preparing a characterisation, but it is a nonsense in a mute art. The body must speak, not the vocal chords.

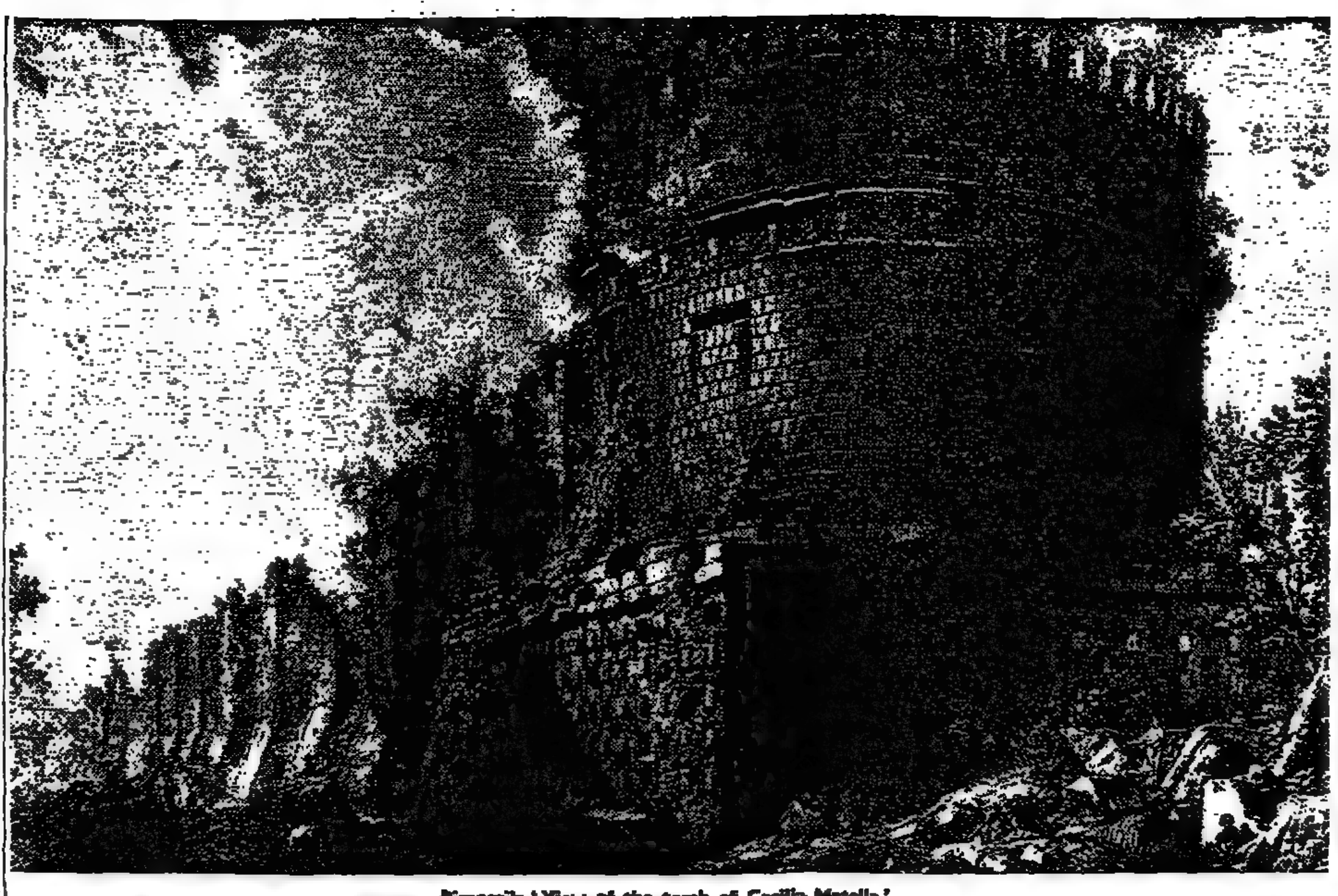
Marion Tait's Lise had bounce, and a pretty, mettlesome way with the dances. Carl Myers was an attentive, affectionate Colas, with a smooth manner for the variation in the corn-field duet. I liked very much Brian Bertscher's manner as Alain: he plays the simpleton without too knowing an air, and that radiant innocence that was Alexander Grant's is happily restored to the ballet.

£1,000 book award

"Unemployment" and the plight of the "unexpectant teenager" are the subjects of unique book awards sponsored by the Odd Fellows M.U. Friendly Society. The judges of the Odd Fellows M.U. Social Concern Book Awards will be looking for the book or pamphlet which makes the most useful contribution to the finding of solutions for each of these problems.

The National Book League has announced the panel of judges as: Richard Hoggart, John Maddox and Ann Hills.

The announcement and presentation of the prize winners will be held at Odd Fellows House, Manchester, on October 18.



Piranesi's 'View of the tomb of Cecilia Metella'

Hayward Gallery

The permanence of Piranesi

by DAVID PIPER, Director of the Ashmolean Museum, Oxford

Piranesi is a state of mind. He defined it in visual terms; even if his definition has been subject to varying interpretations since he was in his prime over 200 years ago, its validity has persisted. The state of mind is no doubt an enduring quality—or affliction—of the human condition. For example, one etching (No. 206) in the exhibition of his work now at the Hayward Gallery, seems a brief for some more architecturally orientated Dante reconstituting a section of the *Inferno*.

The exhibition marks the bicentenary of Piranesi's death in 1778. It is far from the first, for Piranesi has been shown through Europe and America this century, but it is certainly the most searching to date. A Venetian, trained in Venice as an architect, his career was quintessentially Roman, and Rome from 1745 on provided the raw material and the inspiration for his visionary art. He was architect—though never with opportunity fully to exercise his talent as such; he was archaeologist both of learning and heated dogmatic opinion—polemicist; a designer of fireplaces, furniture, clocks; a collector, restorer, and dealer in antiquities. He had close English and Scots connections; they provided clients and also allies—his friendship with, and influence on, Robert Adam was profound. He was irascible, an indefatigable worker but very difficult to work with, and some of his visions suggest a state akin to madness, or to hashish or opium induced hallucination. (So de Quincey diagnosed; an implication now indignantly denied, but one nevertheless recognised by addicts as bearing directly on their own experience.) Oddly, the marble head of him here (by the then young Englishman, Nollekens) has no manic aura at all, but seems the most solid senatorial image of a senior citizen of forceful yet sober authority. But Piranesi was, of prints. Prints were his livelihood, for sale to the grand tourists (especially the British) the focus of whose travels was Rome, but prints was surely also his true vocation.

His major themes were pursued consistently: themes of the grandeur and decay of antiquity, of transience and permanence—almost of the transience of permanence. The monuments of Roman antiquity are observed in drama (the influence of illusionist stage designers such as the Bibiena family persists)—a drama of light and shade that is informed even in his topographical work by far more than mere topographical accuracy. His scenes, as Horace Walpole noted long ago, "would startle geometry, and exhaust the Indies to realise." The detail in them is inexhaustible, and no less so in the purely imaginary visions, of which the most haunting, most famous, are of course the *Carceri*—the Prisons, hugely lofty in their glooming, yet formidably claustrophobic, strutted with crisscross dizzy stairways going nowhere, laden with great iron rings, chains, pulleys; trapped with massive masonry and caged with bars, the sky an impossible aspiration aeons above. These visions are both exhilarating and deeply disquieting — indeed, I think they are only bearable because though most real they are transfused by imagination: it's all in the mind. Their human inhabitants for example are never precisely characterised: they are just accents in the movement of the pictorial drama, really only shadows with no substance. It is only in his very last work, the series on the temples at Paestum (in which his son Francesco was partly involved), that human beings become fleshed out, participants, and there the whole atmosphere shifts, and the Doric ruins spectral though they be, are part and parcel of a rustic idyll where peasants graze their cows.

Scholars and commentators, never less so than now, exercise great ingenuity and learning on relating Piranesi's genius to Classicism as to Neo-Classicism, to the Enlightenment as to the Gothick imagination, to the Baroque as to Romanticism. Like all great originals, he avoids the issue, enduring to rekindle the wonder of the generations. A selection here (which could have been a much larger exhibition on its own) indicates his continuing influence on his artist successors, even, practically, on architects like Dance or Soane.

I would salute this exhibition as exhibition. It is in black and white, modulated by the multitude tones that range between those extremes. Piranesi's strength and subtlety contrive to make the few oil paintings shown (Pannini, a Canaletto studio piece) look almost garish. Watercolour versions of one of his prisons, ascribed to Girtin and to Turner, no less, transpose his black and white into almost ridiculously genteel English comfort. The display (by Ivor Heal) is based on monochrome pale grey screens, with two or three island groups in sharp red: there is an element of maze in its disposition, not enough to disorientate the visitor, but affording sudden unexpected angled vistas and glimpses. A number of Piranesi's big original copper plates, miraculously survived, float their shimmering images in low cases, almost as if in their acid baths. If the problem, now not to disfigure the hand with a measle of labels, has been solved rather ruthlessly (by a discrete, very low uniform alignment, good reading for three feet dwarfs), the whole experience is a delight. There is a Thomas Hope sofa: some sculpture, and although the Arts Council sadly found the two enormous marble candleabra in the Ashmolean, concocted by him from various fragments, too delicate to travel, they appear in photograph.

The selection, judiciously comprehensive, is by John Wilton-Ely, and his is the catalogue. His, too, *The Mind and Art of Giovanni Battista Piranesi* (Thames and Hudson, £20) which is a fine rescension of present knowledge of Piranesi, lavishly illustrated—all the *Carceri* and all the *Vedute di Roma*, for instance. Of the quality of these reproductions, there would be no complaint—until you see the originals. His drawings are usually very broad and free, establishing light and shade, and disposition of masses—not the finished thing, needing only to be traced on to the plate. It is the print—a word still so often taken to mean a copy—that is the original. As Piranesi said: "If my drawing was finished, my plate would only be a copy." The technique that could create and control such complexities with such assurance and freedom on to the plate is almost incredible, but the vibration, the vitality of the result in which the burr of the etched metal still shivers, simply are not capturable in reproduction. So you must go and see the originals for yourself (till June 11).

Rainbow

Jethro Tull

by ANTONY THORNCROFT

Jethro Tull are the hardy annuals of British rock music. It is ten years since Ian Anderson first took his flute to a concert to be backed by a band calling itself after an 18th century East Anglian agricultural reformer and on Sunday Jethro Tull reached London on yet another annual tour. Anderson is the only survivor from the original group but his latest music is as rural as anything from the last decade.

Anyone knowing Jethro Tull only from their 14 rather uneven albums would have been cheered up by the Rainbow concert. Anderson himself is a witty front man who can enjoy himself at the expense of the band and the audience. The other musicians looked equally relaxed without getting sloppy. More to the point the length of the Jethro Tull repertoire ensures that they can present a varied act. Virtually every aspect of rock music, from the light acoustic to the heavy electric, from the lyrically fanciful to the over-pretentions, was on show on Sunday.

Anderson may not have the best of voices but he dominates the band. The one legged posture while playing the flute is kept under control now and more use is made of his guitar. He is helped greatly by Barriemore Barlow on drums and Martin Barre on electric guitar but all six seemed in good form. The only disappointment was the inevitable encore of Aqualung, the band's theme tune, which was not attacked as vigorously as in the past.

The songs from the new album with its more "country" feel showed up well, especially Heavy Horses, which, with its variations in pace and "significant" lyrics, just about summed up ten years of Jethro Tull. The experiments of the past have sometimes pushed the band down blind and unfruitful alleys and have robbed them of a consistent and easily placeable role in British rock, but the combination of visual antics, wayward creativity, and a solid devotion to a strong rhythmic line, has brought them a large and devoted following. The applause at the end was happy and deserved for what was a very professionally produced, very genuine, rock concert.

Madisons

Gotham

Suddenly it is supper rooms. The success of Country Cousin, that long limb of gay fun round the corner of the Kings Road, has encouraged lots of others, most notably Madisons, handy for Hampstead at Camden Lock, where producer Bernard Jay, a refugees from Chelsea, is concentrating on the same kind of simmering-under American act which made Country Cousin such a hit and miss affair.

Madisons opened with Gotham, which had impressed in the King's Road. Gotham is a trio of lads which mixes close harmony singing with some nice bitchiness about the audience. If you are sitting at the front, and are less soigné than Joan Crawford, your meal will be peppered with good natured insults. While they keep up the frenzied banter—"is anyone here on downers? We'll wait five minutes for an answer"—Gotham is ideal. When they take themselves seriously as singers, especially when they all grab solo spots, you start looking at the funny people on the next table. The act peps up again by the climax, and it is an extended climax, and as they stand there sweating and trouserless at the end of an hour plus stint you feel you have had your £3 worth.

The meal costs a further £6 and is fine if you are wearing a strait-jacket. Madisons goes in for intimacy, cramming more people into a small space than seems credible, but it does mean that everyone has a view. There are also quite a few views on show, making this a jolly addition to a London night time scene which has suddenly become positively bouncing.

A.T.

English Bach Festival

Rinaldo

by MAX LOPPERT

Contemporary music is getting a rather poorer showing at this year's English Bach Festival than in previous years; but in compensation Lina Lalandi has produced a splendid feast of pre-classical opera, with concert performances of Handel's *Rinaldo* and Vivaldi's *Griselda*, and a staging of Rameau's *Hippolyte et Aricie* scheduled for July.

Rinaldo, given at the Queen's Theatre, Haymarket, in 1711, was the first of Handel's Italian operas for London. It is one of the richest musically, one of the most spectacular in effects (both in the instrumentation and in the stage directions) and, dramatically, one of the least cogent. The work was produced in, and bears all the marks of, haste. As this matters seriously only in the opera house, where we would expect a degree of consistency in character development and lucidity in plot outline not to be found in Aaron Hill's clumsy reworking of Tasso, Handel's "anthology" of superb melodies (as Winton Dean's programme note calls it) is well suited to concert rendition.

With reservations which will be duly noted below, the music was well served by Sunday's performance at the Elizabeth Hall. It was an "authentic" performance: the EBF Baroque Orchestra was playing period instruments at correct pitch. And playing them efficiently, apart from the probably inevitable squawking of the oboes, and apart from a perhaps less inevitable meagreness in the quantity of strings. In heroic numbers, such as Rinaldo's brilliant "Or la tromba," with its irruption of four trumpets, the string body was almost entirely obscured. Except for the sad loss of Almirena's "Augeletti che cantate," with its delicious accompaniment of three recorders, cuts were thoughtfully made.

The conductor, Jean-Claude Malgoire, made on the whole a more convincing impression than in past London appearances; tempos were mostly aptly chosen and sustained with reasonable sturdiness. Mr. Malgoire tended to lose one's confidence in the vocal ornamentation of repeats, which was presumably of his inventing, and which veered stylistically from the wildly excessive to the wildly inappropriate. But it was all carried out with enthusiasm by a good team of singers, among whom only Eiddwen Harrhy as the sorceress Armida—the single powerfully drawn character, in a vocal line demanding glitter, passion and dramatic power—suggested any theatrical excitement in her arias.

There was pure and tasteful singing from Marilyn Hill Smith (notably in a shapely account of Almirena's beautiful "lascia ch'io pianga"), Ian Caddy, and Paul Esswood in a conflation of minor roles. A source of interest was the South Bank debut of Carolyn Watkinson the young English contralto, in the title role (which she also takes in the Malgoire recording). The voice is warm and clear, rather soft-grained in projection for a castrato hero (though the line is always firm) and not unfailingly true of pitch; the personality is winningly candid and unaffected. The libretto was generously provided in the programme booklet; gratitude would have been unspotted if it had not been so clumsily laid out and borne such an uncertain relationship to what was actually performed.

The English Bach Festival investigation of the art of baroque dancing is of enormous value—the field is one in which ignorance and guesswork have up to now reigned little challenged. Following last week's opening celebration in the Guildhall, the Festival Dancers were on Saturday evening transported to the visually clearer, atmospherically rather destructive sightlines of the Festival Hall, for a repeat performance of Bach's B minor Suite in the choreography of Belinda Quirey and Michael Holmes, and for a selection of dances from Rameau's *Princesse de Navarre* (in the costumes first seen at the Royal Opera House last year). Whatever qualms one may have felt—and written accounts of the *ballet de cour* imply a much more heady and vivacious activity than were suggested by these rather demure movements—it was still an evening full of interest and enjoyment. There was neat playing by an instrumental ensemble under Nicholas Cleobury.

*

Miss Lalandi is working her way through the Kuijken family. During last year's English Bach Festival she gave a recital with the Kuijken flautist, Barthold, and on Sunday night at the Purcell Room she appeared in a short early-evening prelude to *Rinaldo* with the violinist Sigiswald Kuijken.

They did not actually perform together: but their two solo instruments, clavichord (discreetly amplified) and baroque violin, were nicely complementary: contrasted in timbre, but both small-scale in decibel range.

Miss Lalandi played a group of Bach two-part Inventions, and his second French Suite, with that inimitable expressiveness and freedom that always seems to characterise her annual offerings. Sigiswald Kuijken offered something almost as rare: accounts of a Bach solo sonata and partita played on the baroque violin, which were not merely exercises in attempting to recapture vanished playing techniques. His interpretations had a breadth and perception which were firmly based on the text—marvellous to hear this music played directly, with no attempt to overwhelm us with romantic feeling.

Where the instrument helped him (in the precise voicing of the parts in the A minor Sonata's Andante; in the flexibility of the passage-work in the fast movements) he revelled in the precision it allowed him. Where its limitations hampered him (in the quadruple stopping of the D minor Chaconne and A minor Fugue, in which it provided no extra resonance to aid position-changing, he transcended them. We look forward to Miss Lalandi's recital with the third Kuijken brother.

NICHOLAS KENYON

Bennett premiere

The first London performance of Richard Rodney Bennett's *Spells*, a work for soprano soloist, choir and orchestra, will be given on Monday, May 15 at the Royal Festival Hall by the Bach Choir with the Philharmonia Orchestra conducted by Sir David Willcocks. The soloist will be Jane Manning.

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Industrial costs up

THE wholesale price indices for March were published on the day before the Budget, and so received comparatively little attention. They seemed, however, to reinforce the arguments for adopting a more cautious fiscal stance than the CBI or the TUC had recommended or than the Chancellor himself might have been willing to adopt only a few months before, when money was flooding into the official reserves. They sounded a gentle warning note about inflation in the case of factory output prices and a rather louder note so far as the cost of raw materials and fuel for industry were concerned. The former, though continuing to rise at a steadily lower rate on the basis of a 12-month comparison, seemed to be levelling out at a rate that was still too high for comfort. The latter had risen on the month, and quite sharply, for the first time in a year.

The April indices show much the same picture and deserve to be examined carefully by those who are pressing the Chancellor to increase the borrowing requirement by more than he proposed. Factory output prices were then 10¾ per cent. higher than in April of last year, against a comparable figure of 11¼ per cent. in March. If the more recent trend is measured by looking at the rise over the past half-year, however, the increase turns out to have been 4½ per cent.

Levelled out

While this looks more encouraging than the year-on-year comparison, the fact is that the six-months' rate of increase has remained at this same figure of 4½ per cent. for five months in succession. It looks, in other words, as if the rate of inflation reflected in factory output prices has levelled out at a figure which is still too high. The behaviour of industrial costs for raw materials and fuel, which will affect first output and then retail prices—the whole process takes something between six and nine months to work through—is rather more discouraging. In March they rose for the first time in a year, by 2 per cent. In April they turn out to have risen by another 2 per cent. The index for raw materials alone has risen by 4¼ per cent. in the past three months against a *fall* of 5½ per cent. in the previous three months.

A large part of this increase during April, as during the previous month, was due to the depreciation of sterling. The Government intervened heavily last month in the foreign exchange markets to brake the decline and to demonstrate that it regarded the present price of sterling (in terms of leading currencies in general rather than of the dollar alone) to be about right. This will help to reduce the rise in import costs, whatever happens to the world price of raw materials. But Government policy appears to be that the exchange rate should move roughly in line with the competitive position of U.K. exporters—that it should reflect the relative level of inflation in this country. In the process, it helps to set it.

Exchange rate

The best guess, on present evidence, is that the rate of year-on-year inflation reflected in the retail price index will drop further. But, these wholesale price indices suggest that it will probably begin to rise again by the end of the year, with the actual rate of increase depending on what happens—sterling apart—to earnings in the next pay round. While the official aim of an average earnings increase of 7 per cent. looks decidedly optimistic, there are two opposite reasons for hoping that the outcome may not be disastrously larger than that. To the extent that the falling rate of inflation affects expectations about the future, claims in the first and decisive half of the next pay round should be moderated. To the extent that anxiety about inflation remains a major concern of those in work, an abnormally high savings ratio may make the financing of the public borrowing requirement easier than it would otherwise be.

The IMF calls the tune

THE PAST few years have seen a steady growth in the influence of the International Monetary Fund as the world's economic arbiter. A major factor has been the vastly increased need for finance by deficit countries in the wake of the quadrupling of oil prices in 1973-74. As Dr. Johannes Witteveen, the Fund's outgoing Managing Director, pointed out in London yesterday, the current account deficits of non-oil developing countries have recently been running at a level over three times higher than in the period leading up to the oil crisis. The share of assistance provided by the Fund, though still much less than that supplied by commercial banks, has doubled over the past five years.

Conditions

But it is not simply the increasing scale of IMF lending that has strengthened its role. It has now become common practice for Governments and private banks to make offers of credit dependent on a deficit country first negotiating a Fund loan and accepting the accompanying economic policy conditions. In recent weeks Portugal has unlocked $800m. worth of Western Government credit by successfully negotiating terms with the IMF. Peru, on the other hand, has seen its hopes of a $260m. commercial bank loan dashed by IMF disapproval of its economic policies. It is not just over the use of its own resources that the Fund's decision is becoming increasingly final.

As Dr. Witteveen acknowledged yesterday, the growth of the Fund's influence has led it into increasing controversy — particularly over "conditionality," which is especially unpopular with developing countries. Critics have accused the Fund of obstructing growth by putting too much emphasis on demand restraint; exaggerating the importance of the price mechanism; recommending exchange rate changes much too readily and trying to push through adjustment processes too rapidly. More generally, the Fund's intervention is likely to arouse fears in each section of society that may have to bear the brunt of the prescribed austerity policies.

Dr. Witteveen has detailed answers to all these charges, some of which he accepts as not totally unfounded. Whatever their imperfections, the Fund's policies are at least preferable to the most likely alternatives, physical controls on the allocation of resources and trade restrictions. But Dr. Witteveen also makes the general point that most countries leave their approach to the Fund far too late. By the time they apply for an IMF loan, drastic and rapid action along the lines usually recommended by the Fund is likely to be necessary in any case — regardless of "conditionality" considerations — if equilibrium is to be restored.

There are, of course, obvious political and psychological reasons why Governments wait till the last moment to go to the Fund. It is galling for a developed country like the U.K. to go cap in hand to Washington. It is even more so for developing nations which have little say in the Fund's workings. To most developing countries, the IMF is a "rich man's club" unlikely to be sympathetic to their interests. Indeed, one of the main demands of developing countries in the North-South dialogue is for a louder voice in all international institutions dominated by industrialised countries, most notably the Fund, the World Bank and the Gatt.

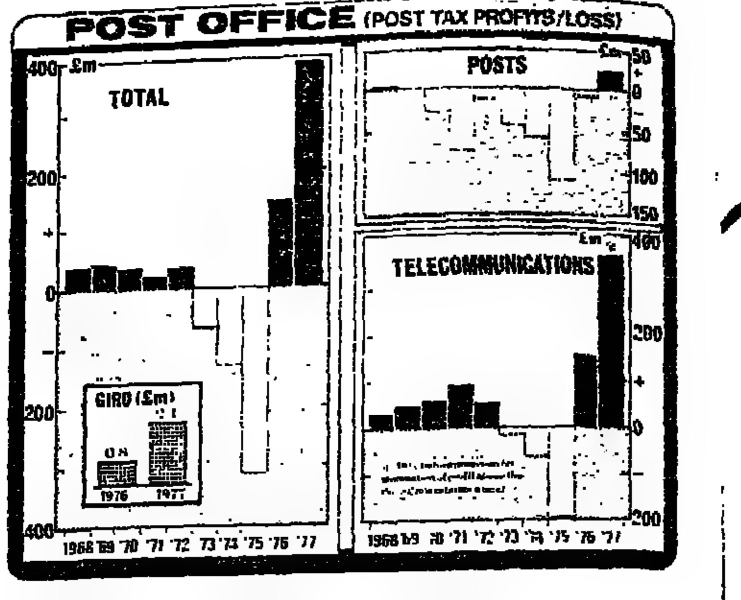
Unrealistic

It is unrealistic to expect the rich countries, which provide the money, to give up a predominant say over the uses to which it is put. "Conditionality," in one form or another, is probably here to stay. But there is certainly scope in the North-South dialogue for exploring the special needs of the developing countries in more depth. If the dialogue succeeded in creating an atmosphere of greater mutual trust, it might be easier in future for developing countries to seek help before they reached the brink of disaster. Then the remedies prescribed might not have to be so immediate or so severe. That should help to improve the Fund's image in the Third World. For their part, developing countries should appreciate that there is not necessarily any stigma attached to seeking outside advice when in financial difficulty.

'With new communications technology, the Post Office will become caught up in areas from which it has previously been independent'

Post Office entering uncharted territory

BY JOHN LLOYD



THE NEW chairman of the Post Office, Sir William Barlow, has had a good first six months. A much more public man than his predecessor, Sir William Ryland, he has reaped early benefits in popularity from getting round the regions, pumping hands and peering at machinery.

He has been helped by the fact that the usual criticism the Post Office attracts as the nationalised industry with the most exposure to the public has recently been transferred to British Leyland and the BSC.

More positively, Sir William has reversed the Ryland practice of holding power centrally, and devolved it rapidly to the managements of the three Post Office businesses — Posts, Telecommunications and Giro. He had little choice: the complexities are such that no outsider to the Corporation could, even if he wished to, match Ryland's grasp of detail. But the initial effects seem good.

The heads of the three businesses are themselves all new appointments. The youngest —in years and experience—is Mr. Peter Benton, managing director of the telecommunications business, recruited from Gallagher's engineering division and at his post since January. The brevity of his service makes him the most difficult to assess: but it is clear that he has already hastened along the much-delayed "System X" project to the point where it is being confidently predicted that the U.K. will have its first fully electronic, digital exchanges by 1981; and that the rest of the world will have a chance to buy them a year or two afterwards.

In Giro, Mr. Sam Wainwright, who came in last year from Rea Brothers merchant bank, has cannily expanded the service to take on deposit facilities with a 1 per cent. interest rate edge over the clearing banks, and is now poised to make substantial inroads into that 40 per cent. of the adult population which is "unbanked."

Post should be the Cinderella of the three. Its managing director, Mr. Denis Roberts, appointed last year from within the Corporation was, at the age of 63, widely regarded as a stop gap appointment. But he refuses to behave like one: he has turned the chronically unprofitable parcel service round to near-break even, overseas mail is showing a ten per cent. growth in letters and a four per cent. growth in parcels, and even the inland letter service has—for the moment—ceased to decline.

All the businesses will declare a profit on the past financial year: internal estimates suggest that Telecommunications will come out around £280m., Post at around £30m. and Giro at around £2m., which would seem to achieve the happy result of avoiding both accusations of inefficiency and charges of excess.

Yet all honeymoons come to an end and Sir William Barlow will be faced with a formidable array of Post Office problems in the near future. What follows is a provisional list of some of the more significant ones.

The Government: It is about nine months now since the Post Office Review Committee (Carter Committee) presented its report. It called for greater efficiency and courtesy, an advisory council on communications, and a split in the Corporation between Posts and Telecommunications. To a significant extent—as enthusiasts for Carter admit—the Post Office has shown itself willing to learn efficiency and even manners—a Code of Conduct, a pledge to be nice to its customers, is under serious consideration.

DENIS ROBERTS
. . .turn-round for the postal service

SAM WAINWRIGHT
. . . expansion of the Giro Service

SIR WILLIAM BARLOW
. . . all honeymoons come to an end

Neither the Corporation nor the Government however wants an advisory council coming between them, so it seems unlikely to come to anything. But the proposed split between Posts and Telecommunications might yet cause some grief.

Besides Mr. Carter and his committee, those backing the split include most of the present Board and the Post Office Engineering Union, on grounds of industrial efficiency. Those against include Mr. Gerald Kaufman, the Industry Minister with responsibility for the public sector, Mr. Eric Varley, the Industry Secretary, and the Union of Post Office Workers. Thus if the Government agrees to the split, it will go against what it believes to be right, and also a very powerful union. If it does not, it will offend the Board, and an equally powerful union.

On balance, it seems unlikely that the Government will act against its own judgment. Splitting the Corporation now would mean disrupting the experiment in industrial democracy, which runs from the Board down to the local areas, and is still in its infancy. Such a decision will not, of course, make the pro-splitting lobby go away. It will continue to argue that, as the businesses grow ever more complex, their top managements should be divorced to allow them to concentrate exclusively on their own problems.

Posts: Mr. Denis Roberts' undoubted success has been achieved in part because he has accepted, stoically, that his business must run very hard indeed to stay in the same place and that, in the longer term, decline is inevitable. The challenge of the electronic message - carrying technology from the telecommunications business can be coped with for some years yet, but much of telecommunications' future growth actually depends on replacing some of Posts' services.

Managing that decline, then, becomes the central problem for the postal business in the 1980s. The management has been fortunate in dealing with a union—the UPW—which has proved itself relatively co-operative in the matter of redundancies, but if unemployment rises generally, that co-operation will not be automatic.

Electronic mail—which would enable letters to be transmitted and received on keyboards linked to telephones—is probably at least a decade away. But Viewdata, which will bring a mass of information into every home with a TV set, will soon be on the market, greatly reducing the need for such information to be sent by mail.

System X: The electronic digital switching system is being hastened on stream with a greater sense of urgency than before but that urgency cannot disguise the fact that the U.K. has been, and is still, comparatively uncompetitive in the booming telecommunications export market. That in turn derives very largely from the policies pursued both by the Post Office and by its three main suppliers, GEC, Plessey and STC.

The three suppliers still do not, as the Carter Committee put it, "make a natural team." Yet they will be offering, jointly, a system which requires constant co-operation, because the Post Office has broken up the development of the various elements of the system among them (though they will each eventually market the whole system) a practice made possible by the fact that System X is composed of a number of semi-independent, interlocking modules. It remains to be seen whether or not the companies can co-operate in an exceptionally tough market, now worth around £3bn. a year and expanding by 10 per cent. annually: the signs are still far from good.

Communications policy: the question of the nature and purpose of the country's communications in the future is to a large extent the key to all the problems above, but is the most difficult to define precisely because there is no agency which has defined it. However, it is not difficult to compile a provisional list of the elements which would have to be considered in the adumbration of such a policy.

● There is a considerable range of equipment now being developed by the Post Office and its main suppliers, of which Viewdata is the best known. Others include Confravision, where conferences can take place between two groups of people in different centres by means of closed circuit television; Viewphone, its individual equivalent; Telemetry, the remote reading of meters; Telecommand, the remote control of plant and machinery; Telemail, the electronic transmission of letters via phone lines. Decisions must be made about when these media are to be brought on stream.

● Attendant on these decisions is the definition of a "post electronic" role for the postal services, that is, how far and at what level and cost they should be retained.

● Also closely related to decisions on the timing of the new media are the demands of the exports markets, and the ability of the Post Office and the suppliers to harmonise these with domestic needs and constraints.

● It is inevitable that the development of these new systems will reduce the need for labour. How this fact is to be coped with is of great concern not simply to the Post Office but also—since it is the U.K.'s largest employer of labour — to the country at large. The Corporation's policy will thus be a major part of general decisions on employment policy in a period when technology will increasingly replace labour —the more so since the Post Office is a leader in precisely that field.

● As the television screen which most homes possess progressively ceases to be merely the receiver of entertainment and information provided by public and private television contractors, and becomes a computerised information terminal, possibly part of a Viewphone system, more futuristically still a two-way shopping, bill-paying and even voting device, then the line between the Post Office and the TV contractors will be a difficult one to draw. All will be drawn in, together with the Government, into making decisions on general communications policy, and more importantly on the increasingly profound effect such a policy will have on the country's productive forces and the lives of its citizens.

In the view of Professor Daniel Bell, the American sociologist, the next decades will show clearly that advanced societies are now more dependent on the communication of fact and of expertise than they are on labour. To the two elements of land (as the basis for food) and metals (as the basis for tools and weapons) which have been the poles of social organisation, he adds, for modern times, the third pole of information. On this argument, communications will become the key industry of the future.

That view is still contentious but it is no longer merely science fiction. (Bell was put in charge of the Presidential "Committee of the Year 2000," and his recent work is carefully read by executives in companies like ITT and IBM). What is not contentious is that the expansion of communications in the next decades will be enormous.

A recent report by two Cambridge economists, Mr. Francis Cripps and Mr. Wynne Godley, chose to highlight both this problem and that of the reduced need for manpower, and to question the ability of the Post Office adequately to control the developments of the next decade. The report recommended the establishment of an independent council with powers to elaborate a communications policy, thereby taking a step further the central proposal in the Carter Committee's report for an advisory communications council. Since Carter's argument has not persuaded either Post Office or Government, there is less chance of the Cripps/Godley one doing so.

In a letter to the "Financial Times," Mr. Peter Benton argued that the report was unduly alarmist on manpower projections, and said that he was prepared to give guarantees on security of employment to his technical staff over the next ten years. He also maintained that the Post Office, together with Government and the manufacturing industry, was competent to deal with the complexities which lay ahead. "I remain unconvinced that a planning council, as proposed by Cripps and Godley, would contribute in any meaningful way to these decisions."

That may, or may not, be the case. But it is not merely the competence of the corporation, Government and industry which is the issue. It is that the Post Office will find itself involved in more and more areas from which it has previously been largely or wholly independent—broadcasting policy, employment policy, export policy. Can they *all* be contained within the competence of the Post Office?

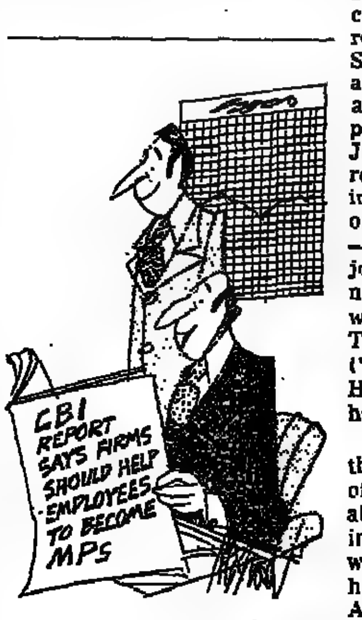
MEN AND MATTERS

Faithful hold on to their money

James Callaghan has short-term anxieties enough about finance, with this week's onslaught upon the Budget at Westminster. In the medium-term, with a general election somewhere on the horizon, he must be pensively stroking his chin about the Labour Party's own finances. After seven months of fund-raising for the new party headquarters, planned for a site in the Walworth Road, £70,000 has been accumulated; estimated cost of the HQ is £1.6m. General secretary Ron Haywood has been explaining to foreign journalists in London that the party cannot send representatives to meetings of the Socialist International because of an austerity drive.

I was told yesterday from Transport House, where the party currently lives cheek by jowl with the Transport and General Workers Union: "We seem to be permanently in the red." It is a sentiment with which Margaret Thatcher would doubtless agree. The party pays a peppercorn rent to the TGWU; so Callaghan must wonder whether, at the current level of donations, it will even be possible to pay the rates when the new headquarters (due for completion in 1980) is occupied.

Of course, *in extremis* there is always the wealth of the big unions to call upon. The National Executive Council is now brooding upon a scheme whereby the unions would form a co-operative to build the headquarters, then let it out to the party. A cosy idea, but one that would make it painfully plain who pays the piper.



"Just think what we could save in redundancy payments."

Songs and swords

In holding the latest OPEC conference in Taif, a summer resort 5,000 feet above Jeddah, Sheikh Yamani did his best to add a measure of light relief to all that serious talk about oil prices. My colleague Richard Johns reports that after a reasonably brisk dinner — including the mandatory sheep on a bed of rice for each table —delegates, security men and journalists were ushered into neo-Louis Quinze chairs to watch a folklorique pageant in Taif's new £75m. Massarah ("Happiness") Intercontinental Hotel. The show lasted four hours.

Oil Minister Yamani mounted the stage to say that the words of a song just rendered by Talal al Maddah, the Kingdom's indigenous favourite, had been written that very morning by his counterpart from the United Arab Emirates, Dr. Mana al Otaiba. "He has dedicated it to an ex-unknown lover—who he assures me has now gone back home." Otaiba replied defensively that the inspiration was purely "poetical and theoretical—to take my mind off oil dollar depreciation, SDRs and all that sort of thing."

The climax came as Yamani led ten of the 13 heads of delegations in a sword dance. Not on stage were Sid Ahmed Ghazli of Algeria and Tayeh Abdul-Karim of Iraq, who had left early, muttering that they and OPEC had work to do. Izzedin Mabrouk of Libya lasted the course, but in his impeccable white suit declined the invitation to dance.

Awaiting the thaw

When I was talking last week to Dr. Pyo-Wook Han, South Korea's ambassador in London, he said of the airliner that made a forced landing on a frozen Soviet lake: "We definitely want it back." He also insisted that the Russians had been most helpful about the whole affair, which began when the Korean Airlines polar flight strayed off course and was hit by shells from Soviet interceptors.

All the cargo has been removed and brought to Paris by Aeroflot. But the plane still stands on the ice of the frozen lake, 600 miles north of Moscow, and despite Dr. Han's optimism, I gather that it will stay there. As the ice melts, it will quietly sink down into the mud, out of sight and out of mind.

When the pilot, Kim Chang-Kyu, landed with almost miraculous skill on the ice, the plane's undercarriage was damaged. To raise it and instal a new one would require sophisticated gear. Then there would be the difficulty of getting the Boeing 707—which needs a long takeoff—in to the air. The Soviet Union is likely to have severe reservations about allowing the small army of western technicians needed into a region with many rocket installations. The best that is likely to be achieved is the salvaging of some electronic gear.

Lost at sea

"Some of our dummies are missing." That is the red-faced message from the RAF air/sea rescue base at Leuchars in Fife. Officers there will be delighted if any of their dummies, in full flying kit, are returned to them.

Eight man-sized models were dumped in the North Sea on April 12, 80 miles off the Scottish coast, as part of a NATO search and rescue exercise named "Bright Eye." But an RAF spokesman has revealed that only a small—and unspecified—number of the dummies had actually been picked up by the helicopters and naval vessels engaged in the exercise.

He also admitted that one of the dummies had been found by a fishing boat and another had been washed ashore at St. Andrews Harbour. He appealed: "If any more turn up, we shall be delighted to have them back at Leuchars."

World beater . . .

A new car called the Gemini now being sold Down Under, is described as having "a uniquely Australian blending of Japanese and German body styles." Visualise that. The Gemini is a product of General Motors-Holden, but the hard-pressed Australian car companies as a whole look more and more towards Japanese ideas—and sometimes equity support—to help them sell cars.

Observer

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FINANCIAL TIMES SURVEY

Tuesday May 9 1978

FRIGG FIELD and ST. FERGUS GAS TERMINAL

Bringing the gas ashore was a question of putting our heads together

The Frigg Gas story is a unique example of international co-operation. In management. In communications. In human endeavour. In pioneering technology.

Together, Total Oil Marine and Elf Aquitaine brought Frigg Gas to St. Fergus.

Elf developed the off-shore installations. Five major platforms and a flare platform standing higher off the ocean floor than the height of the Post Office Tower.

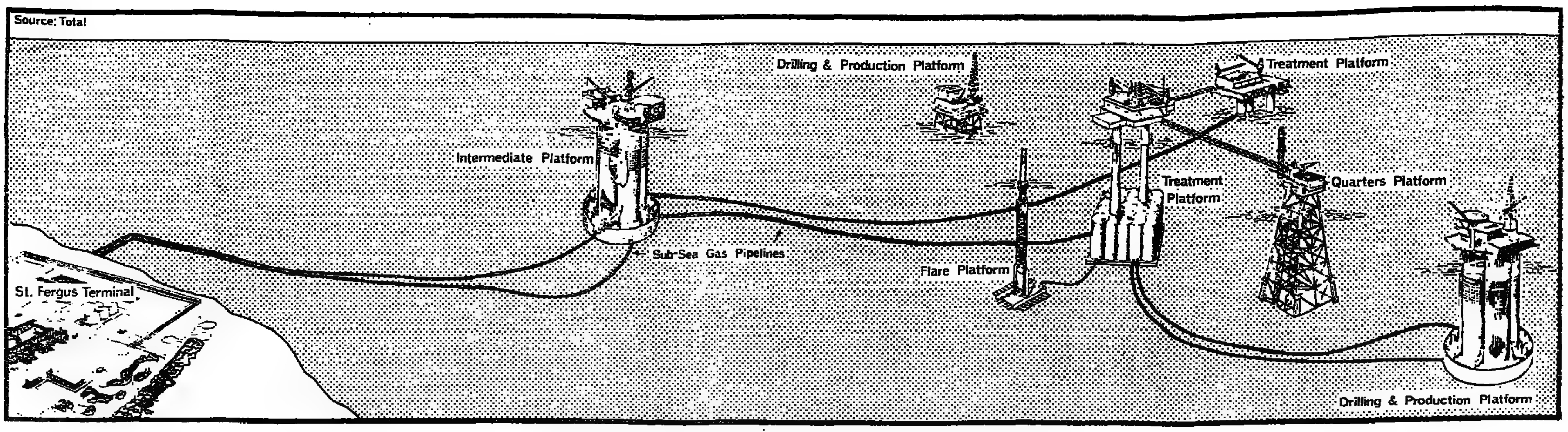
Total handled the transportation. The pipeline and pipe-laying, an intermediate platform and the St. Fergus shore terminal.

The Frigg Gas field straddles the median line between Norway and the UK. It lies far to the north, in deep waters, hundreds of miles from the nearest land.

Jointly, Total and Elf tamed the wild North Sea, substantially increased the UK's energy resources and made a massive contribution to our balance of payments.

If you would like a brochure telling you about the Frigg story in detail, please write to the Public Relations Department of Elf Aquitaine or Total Oil Marine.

Elf Aquitaine
Knightsbridge House 197 Knightsbridge London SW7 1RZ
Total Oil Marine Ltd.
Berkeley Square House Berkeley Square London W1X 6LT



Two Royal inaugural presences, an investment running into several billions of pounds and a thoroughly international participation all bear witness to the significance of the North Sea Frigg Field and its associated terminal at St. Fergus in Scotland. This survey discusses its importance to Britain and Norway, the two countries principally involved, and the prospects.

A world-scale energy project

THE ROYAL inauguration of the Frigg Field and the St. Fergus Gas Terminal in Scotland—with Her Majesty the Queen and Norway's King Olav officiating at two separate ceremonies—sets the seal on one of Europe's most ambitious energy development projects, even by North Sea standards.

The costs involved provide some measure of the importance of the related developments. A Franco-Norwegian partnership of oil companies is investing some £25bn. in the exploitation of the field, which straddles the U.K.-Norwegian median line east of the Shetland Islands. That cost includes a complex of five main platforms installed on the field, a 360-kilometre dual pipeline system to the Scottish coast and a manifold compression platform which might well be used to boost the rate of supplies in future years.

British Gas Corporation, which has contracted to buy all of the Frigg gas under two 20-year supply contracts, has spent some £350m. on treatment facilities at St. Fergus and on new transmission and compression systems.

Viewed from an energy angle the Frigg Field will eventually raise Britain's fuel supplies by about 5 per cent. and save the balance of payments some £300m. a year by reducing the need for oil imports.

Frigg also marks the beginning of a new era for natural gas supplies in the U.K. As the latest Government "Brown Book" on offshore statistics reports, gas produced from the southern shallow-water fields of the North Sea last year amounted to some 34.3m. tonnes of oil equivalent which conservatively valued at present oil prices was worth about £2bn.

Now British Gas is looking towards the more northerly regions of the North Sea for large new supplies of fuel. Frigg is the first of these fields to be commissioned, but within a couple of years gas will also start arriving from Shell/Esso's Brent Field. Brent, the largest field in the U.K. sector, not only contains substantial quantities of gas produced in association with crude oil, but also a "gas cap," in essence a gas field sitting on top of the oil reservoir.

Treated

As with the Frigg gas, supplies of natural gas from Brent will be carried by pipeline to the St. Fergus terminal near Peterhead. Here the gas will be regulated, treated and compressed to meet the requirements of the U.K. distribution system. As natural gas does not carry the normally accepted (or legally required) gas smell, St. Fergus is one of the places where the distinguishing odour is added.

The St. Fergus complex, which might well also handle supplies from any future gas gathering network that is built in the North Sea, has been constructed on a 500-acre site. Shared at present between British Gas and Total Oil Marine (the operator for the Frigg group's transportation and terminal projects) St. Fergus is one of the largest gas treatment plants in Europe. Yet the whole system can be run at any time by only a dozen or so operators. Even when maintenance, administration and service staff are included the total workforce does not come to much more than 160.

Some of the most sophisticated communications systems in the gas industry have been installed to speed the flow of information between the producers on the field, British gas as sellers of the fuel and the main buyers.

By the end of this year, St. Fergus should be able to handle up to 75m. cubic metres a day of Frigg gas, although the field is due to produce at an average level of 43m. cubic metres a day. This rate of production, which should be reached by the end of next year, is equal to about 30 per cent. of British Gas's current supplies. For the first time in several years British Gas salesmen have been engaged in a positive selling campaign to find new customers for the Frigg supplies.

The field itself is not only the biggest of its type in deep waters (estimated recoverable reserves are more than 7 trillion cubic feet or over 200,000m. cubic metres): it has also necessitated unique treaties and unitisation agreements between Government and commercial interests in Britain, Norway and France.

Studies carried out by independent petroleum consultants indicate that 60 per cent. of the reserves lie in the Norwegian block 25/1, where the licensees are: Elf Acquitaine Norge (41.42 per cent.): Norsk Hydro (32.78 per cent.); Total Marine (20.71 per cent.): and the State-owned Statoil corporation (5.09 per cent.).

Group

The Total-led group in the U.K. 10/1 concession which contains the remainder of the reserves are: Aquitaine Oil and Elf Oil Exploration and Production (Elf Acquitaine), with a two-thirds shareholding between them, and Total Oil Marine with 33.3 per cent. interest.

The partners point out that the combination of physical and political geography has dominated production plans for Frigg from the outset. With a mind to safety, Elf Acquitaine, in charge of offshore development, decided to separate drilling facilities from the treatment and accommodation units, a practice which is gaining favour in other North Sea fields. To drain the reservoir more effectively it was also decided that main production facilities should be sited in two places.

The result was one of the most ambitious development projects undertaken in the North Sea, certainly for a gas reservoir. At the peak of installation operations some 1,800 were working simultaneously offshore, supported by semi-submersible rigs (used in this case as floating hotels), three pipe-laying barges, a fleet of supply and standby vessels, several helicopters operating between the platforms and between the field and the shore, a mini-submarine and diving-support boats.

Developments of this sort put into perspective the size of the offshore supplies market which has developed rapidly, both in Britain (and particularly Scotland) and in Norway. More than £2bn. is spent annually on offshore equipment and services in the U.K. sector of the North Sea alone. This figure represents about one-third of the total spent worldwide on offshore operations—a hint as to why the British presence at the Offshore Technology Conference and Exhibition in Houston at the moment ranks only second in strength to the Americans.

Frigg in fact provides a good shop window for the various types of fixed production installations available. The facilities comprise five major interconnecting platforms and a flare stack grouped on either side of the median line. (All the platforms were positioned with the aid of satellite navigation.) The main production facilities were built in several European countries.

The two treatment platforms are made of concrete because, according to Elf Acquitaine, they have additional safety advantages in the event of an explosion and are able to support a greater vertical weight of equipment than the more conventional steel structure. The first of these platforms—TP1—was constructed by McAlpine-Sea Tank at Ardyne Point in Scotland: the second—TP2—was built by the Norwegian Condeep group at Andalesnes.

There is a third concrete unit in the field, a drilling platform (CDP1) built by Howard Doris and Norwegian Contractors in Andalesnes, Norway. This platform was not originally intended for drilling activities. It was intended to sit half-way along the pipeline as a manifold compression unit. However, it was speedily converted to replace a steel platform damaged, somewhat spectacularly, in 1974.

This steel structure, built by the J. Ray McDermott group, was being positioned in the field when buoyancy tanks collapsed. The platform "jacket" slipped off its barge and sank to the seabed, tantalisingly close to its intended position. Despite a winter of efforts to raise the structure, the partners decided to cut their losses and convert the concrete unit.

Howard Doris was again called on to design and build the replacement manifold compression platform. Code-named MCP-01, it was built in Sweden and installed in the summer of 1976.

Platforms

There are two steel platforms on Frigg: one (QP) has been built by UIE in France to act as the quarters and nerve centre for the field; the other (DP2), also built by UIE, is a drilling platform supporting 2,500 tonnes of drilling and processing equipment. In addition to all these units is a recently-developed articulated flare platform, designed by Elf Aquitaine and CFEM of France.

Inevitably there have been delays in the installation and commissioning of these facilities. Quite apart from the accident to the steel drilling platform the schedule has been hit by all the various factors that have put most North Sea development programmes behind time. Industrial relations problems, bad weather, design changes and the complexities of a project which in any case is on the frontier of offshore technology—all these frustrated progress.

In the event, the start-up date slipped from the originally scheduled winter of 1967/77 to autumn last year. British Gas cautiously made its planning arrangements on the basis that it might not receive Frigg gas until January this year, although it did receive the first flow in September 1977.

This delay of some 15 months imposed an economic penalty of course. Costs rose from an initial estimate of £700m. to an eventual £2bn. "The rate of return is still acceptable although considerably poorer than the initial estimate," says M. Jean Curutchet, director of Elf Aquitaine's Northern Europe and Frigg operations.

The fact that the return is "acceptable" — stockbrokers Wood, Mackenzie estimate a DCF return of between 10 and 11 per cent.—is largely thanks to escalation clauses contained in the British Gas supply contracts. It is understood that the gas prices are partly linked to inflation and rising oil prices which means that the Frigg partners have some reason to be thankful for the four-fold rise in crude oil prices in 1973.

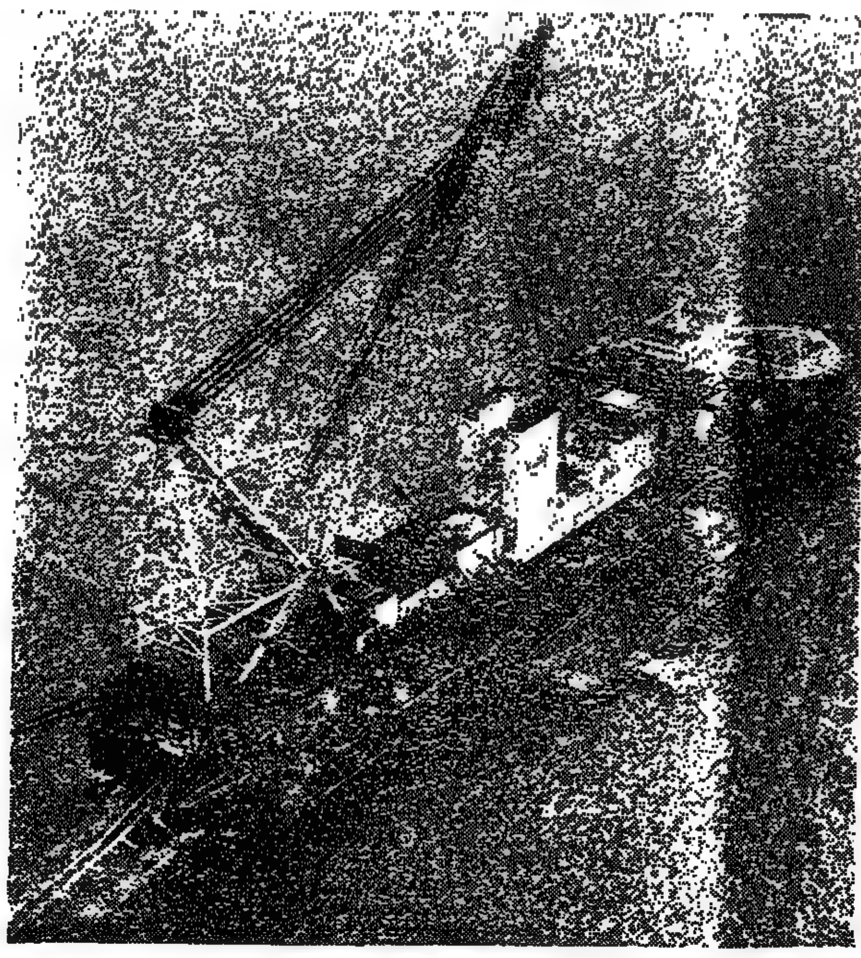
North Sea gas prices are kept a secret but it is thought that British Gas might be paying some 10p a therm for Frigg gas. The price is complicated because it pays a higher price for supplies from the Norwegian sector—gas which does not necessarily have to be sold in the U.K.—than it does for the captive supplies in the British sector. Even so, Frigg gas taken as a whole is costing three to four times the amount being paid for gas from the southern sector of the North Sea.

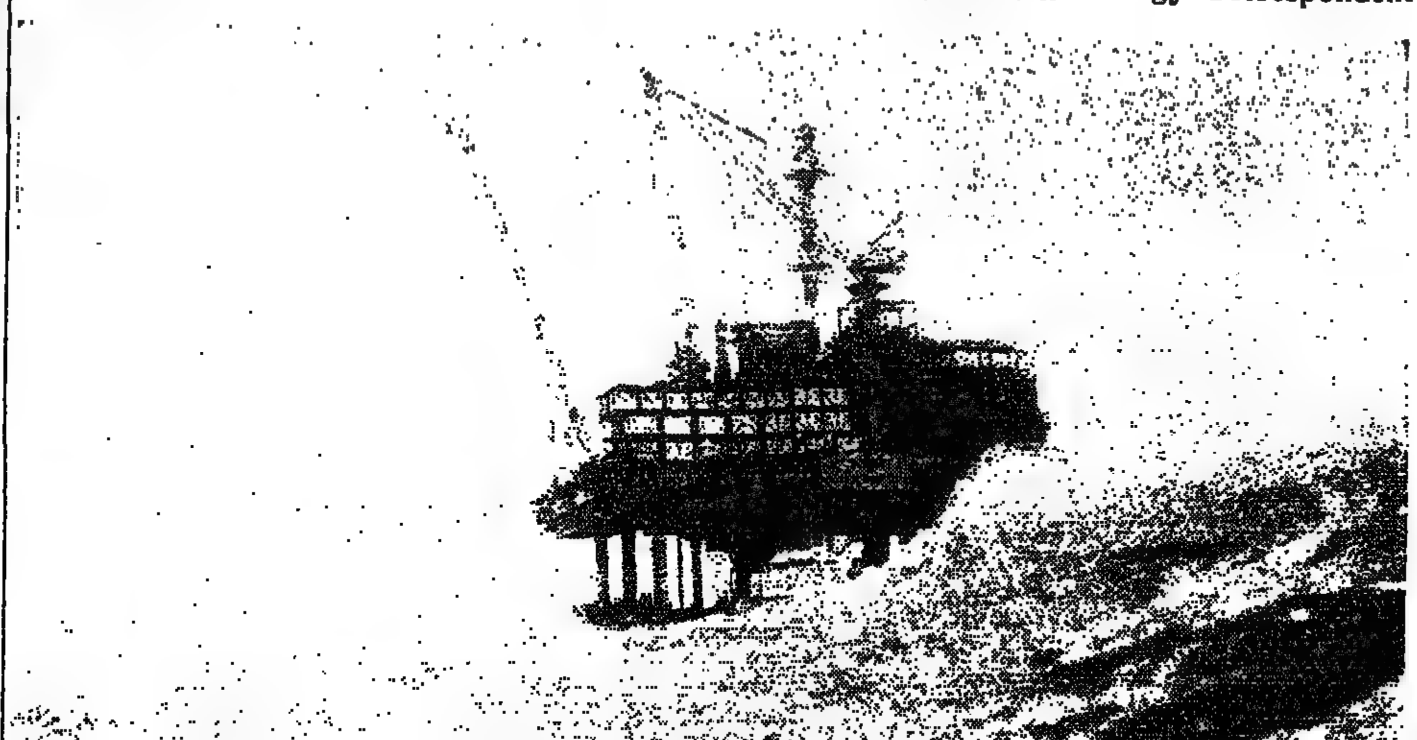
While no one would deny that Frigg is making a vital contribution to Britain's energy supplies—and to British Gas Corporation's growth—it does present the gas undertaking with two particular problems.

First the Corporation has to assimilate the more expensive supplies without unduly loading its tariffs to domestic and commercial customers. Sir Denis Rooke, the British Gas chairman, has said that as most of the investment in the natural gas conversion project has been completed there should be no reason why gas prices should rise more rapidly than the general rate of inflation.

Secondly, British Gas recognises that it must control the pace at which it receives offshore supplies so that it is not forced into selling large quantities into the non-premium market. Consequently, as Frigg and Brent supplies build up so the output of the southern fields will be trimmed. It is hoped that in this way Britain will escape a bout of the other Dutch disease which results from using up gas resources too quickly and indiscriminately.

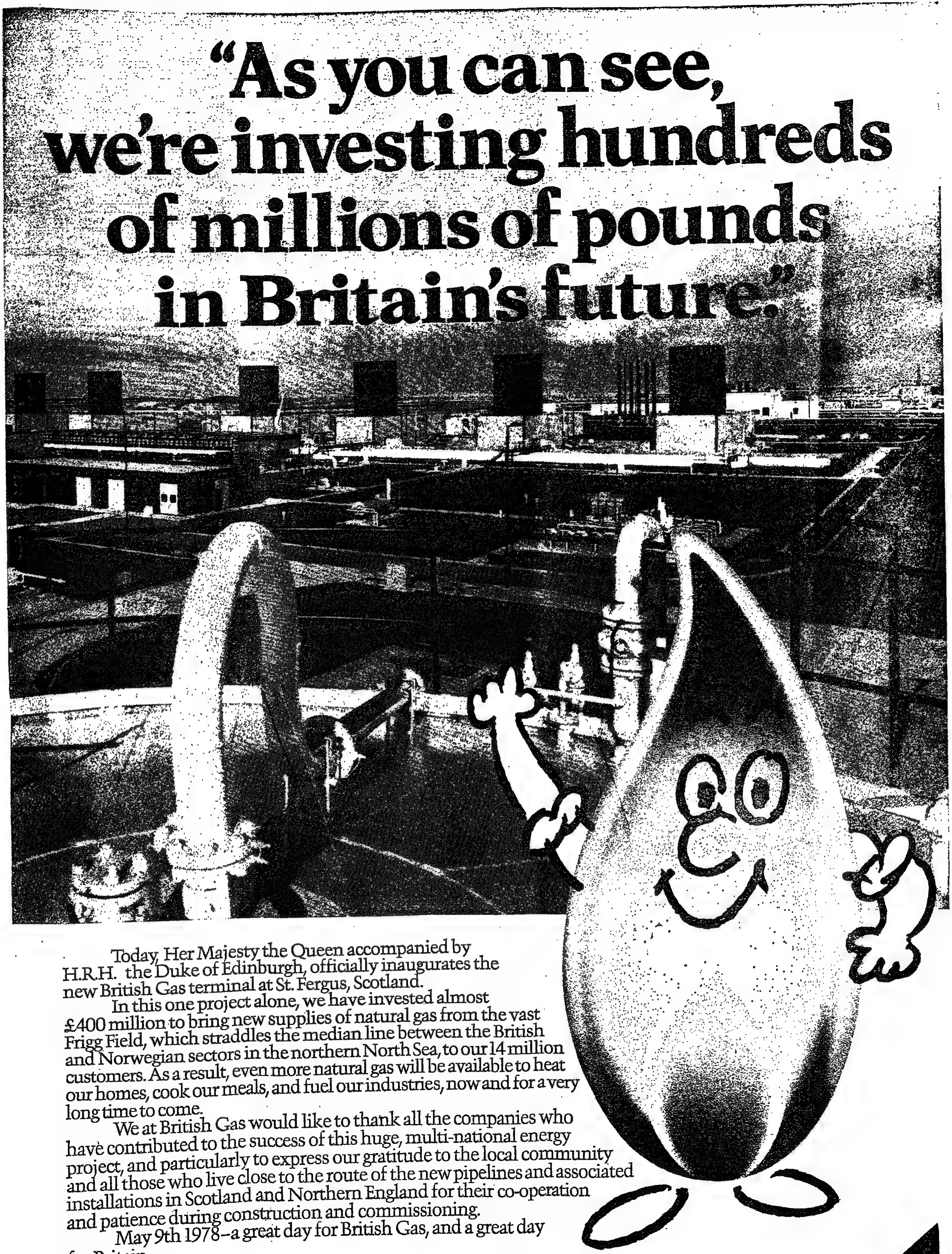
Ray Dafter
Energy Correspondent





Frigg Field is the biggest gas reservoir to be exploited in deep and hostile waters. Total Oil Marine's intermediate manifold platform, sited on the pipeline between the field and St. Fergus, withstands the pounding of the North Sea.

"As you can see, we're investing hundreds of millions of pounds in Britain's future."



Today, Her Majesty the Queen accompanied by H.R.H. the Duke of Edinburgh, officially inaugurates the new British Gas terminal at St. Fergus, Scotland.

In this one project alone, we have invested almost £400 million to bring new supplies of natural gas from the vast Frigg Field, which straddles the median line between the British and Norwegian sectors in the northern North Sea, to our 14 million customers. As a result, even more natural gas will be available to heat our homes, cook our meals, and fuel our industries, now and for a very long time to come.

We at British Gas would like to thank all the companies who have contributed to the success of this huge, multi-national energy project, and particularly to express our gratitude to the local community and all those who live close to the route of the new pipelines and associated installations in Scotland and Northern England for their co-operation and patience during construction and commissioning.

May 9th 1978–a great day for British Gas, and a great day for Britain.

GAS GETS ON WITH IT

BRITISH GAS

Energy policy

Secretary of State for Energy Mr. Anthony Wedgwood Benn discusses Britain's energy prospects and options running into the next century.

THE GOVERNMENT'S proposals for energy policy, as set out in the Green Paper* published in February, are to continue to develop and maintain all four components of the present U.K. fuel economy—oil, gas, coal and nuclear power—together with energy conservation, in a way which will allow for adjustment and choice as uncertain prospects in the longer term become clearer.

At present we cannot tell exactly which mix of energy sources, including conservation, will prove most advantageous in the year 2000 and thereafter. We can see, however, in general terms the problems which are likely to arise. As we move into the next century the world's available oil will need to be increasingly reserved for essential uses, particularly in transport and the manufacture of petrochemicals. By that time our own supplies of oil will have started to decline. Coal may be able to fill some of the gap caused by the withdrawal of oil from crude heat production but coal itself may be needed increasingly as a raw material, like oil, for the manufacture of transport fuels and perhaps petrochemicals, and Substitute Natural Gas (SNG).

One possible scenario is based on nuclear power. Other possibilities include development of fusion power and renewable sources. These are often proposed as being more acceptable than nuclear fission power but their prospects are very uncertain. We do not know yet whether fusion power will even prove practicable. The contribution from renewable sources is likely still to be small by the end of the century, and cannot be relied upon to a tight timetable thereafter.

We need to keep the option of fast reactors open while at the same time continuing with the development of fusion power—the next stage of which will be the JET project located at Culham—and with putting increased resources into the development of renewable forms of energy, as the results of our present R and D programmes justify going on to the development stage.

One Department of Energy estimate of where our energy may be coming from at the end of the century is given in the Green Paper as follows:—

	m. tonnes coal equivalent
Coal	170
Nuclear/Hydro	95
Natural gas	50-90
Indigenous oil	150
Renewable sources	10
	475-515

Depending on the level of demand, and making allowances for substantial further efforts on energy conservation, there may be a need in addition to these supplies for energy imports of up to 45-85m. tonnes coal equivalent a year. Yet more may be needed if all our options are not successfully developed—a task which will require very great efforts.

One of the major unknowns is indicated by the range given in these estimates for gas supplies. We cannot give a more precise estimate because we cannot yet be sure of the extent of our gas reserves. For the same reason we do not yet know how long our gas supplies will last.

Total reserves remaining in known discoveries at the end of 1977 were estimated** to be 54.7 tcf (2,200 mtce) but exploration is continuing, and we believe there is more—perhaps much more—gas as yet undiscovered. It is possible that the total could be as high as 80 tcf (3,200 mtce). On our present planning estimates of the resources available to us (including Norwegian Frigg gas) and their future rate of depletion, we expect offshore gas to be available for some time beyond the end of the century, although supply rates are likely to decline towards the end of that period. This decline could be delayed by further imports of Norwegian gas, and of liquefied natural gas; indeed even piped gas from Russia and the Middle East cannot be ruled out.

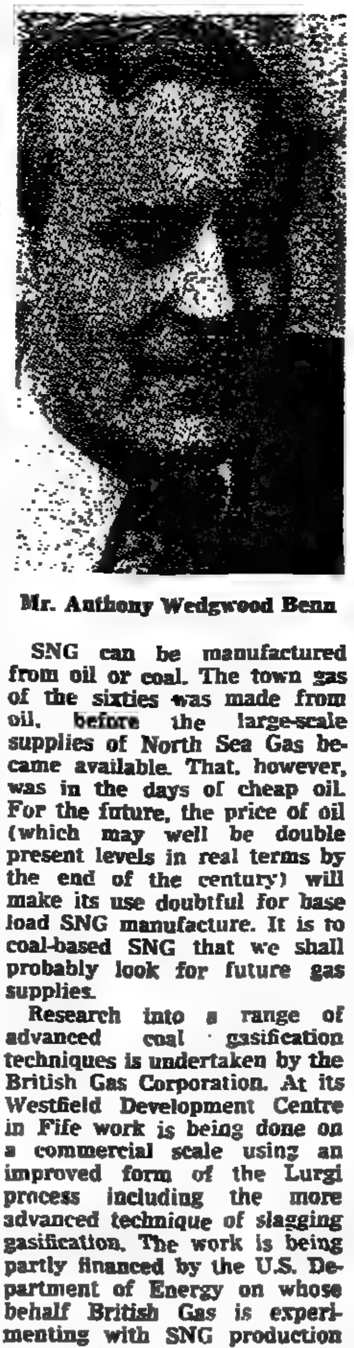
Our policy on the use of gas is that it should be concentrated in premium markets such as domestic heating, industrial process and petrochemical uses. Premium demand is subject to seasonal fluctuation, however, particularly in the domestic sector, and the supply system has to be matched to peak winter demand. To assist in matching supply and demand and to provide the flexibility needed for safety, British Gas makes limited supplies of gas available to the non-premium market on an interruptible basis.

Disposal of substantial new quantities of associated gas could raise problems because such gas has to be produced at the same time as the oil. In some cases it may be technically possible to conserve the gas by re-injecting it, but in others it will have to be taken or flared. It is of course the Government's policy to minimise flaring. It was with this in mind that the joint public/private sector undertaking—Gas Gathering Pipelines—was set up to investigate the viability of gas gathering schemes in the Northern North Sea. I am now considering its final report.

Problem

But this problem of how to absorb an extra tranche of gas is purely short-term: as we see it our longer-term problem is a shortage, not a surplus of gas. On the other hand long-term damage to other fuels could be caused by a short-lived peak in gas supplies. It is normal for gas supply contracts to cater for market fluctuations by provisions under which some of the available supplies can be postponed for a few years. These provisions, together with our powers to defer production from new fields until it is needed, should enable unavoidable surges in the supply of associated gas to be contained.

When the supplies of natural gas approach depletion they will have to be progressively replaced with SNG. It is difficult to forecast with any accuracy when and to what extent this replacement will be necessary, but the best estimate is that a significant proportion of our gas supplies will come from SNG by the early part of the next century.


Mr. Anthony Wedgwood Benn

SNG can be manufactured from oil or coal. The town gas of the sixties was made from oil, before the large-scale supplies of North Sea Gas became available. That, however, was in the days of cheap oil. For the future, the price of oil (which may well be double present levels in real terms by the end of the century) will make its use doubtful for base load SNG manufacture. It is to coal-based SNG that we shall probably look for future gas supplies.

Research into a range of advanced coal gasification techniques is undertaken by the British Gas Corporation. At its Westfield Development Centre in Fife work is being done on a commercial scale using an improved form of the Lurgi process including the more advanced technique of slagging gasification. The work is being partly financed by the U.S. Department of Energy on whose behalf British Gas is experimenting with SNG production from U.S. coals. In the short term British Gas expertise in SNG manufacture could be of great value to countries like the U.S. for which the need to move to large-scale coal-based SNG appears more pressing than for the U.K.

The Government's objective is to avoid too sharp a peak or too rapid a decline in our gas supplies so as to prolong the period in which premium markets, including petrochemicals, can be supplied without recourse to expensive alternatives. The best use of gas and our other energy supplies will have to be kept under review and continually developed during the coming decades.

Energy Policy—A Consultative Document—Cmnd 7101.

*** Development of the oil and gas resources of the United Kingdom 1978" published by the Department of Energy.*

Multiple role for the terminal

THE BRITISH Gas Terminal at St. Fergus, four miles north of Peterhead on the north-east coast of Scotland, could become one of the largest natural gas handling plants in Europe. Altough initially designed to take gas from the Frigg Field through the 250-mile-long trunk pipeline, it has also been agreed that it will handle gas from Shell-Esso's Brent Field, 330 miles to the north-east. It could be receiving supplies in the near future from other fields as well.

The growth in importance of St. Fergus—before it is even officially commissioned—reflects the realisation that gas is an important source of fuel and feedstock, even when it is merely the by-product of crude oil. Illustrative of this is the Department of Energy's increasing reluctance to permit gas to be flared-off at platforms. Operating companies are being forced to look for new ways of exploiting gas reserves rather than allowing them to be burnt in the atmosphere.

Occidental is one of the first groups to consider putting associated gas into St. Fergus by means of a spur line from its Piper Field to the main trunk pipeline; others may follow. Some rough-and ready treatment of the gas at the platform may be necessary to make it compatible with that already being carried in the pipeline, but no great technical problems are raised and the potential benefits both to the country and to the company are considerable.

Parts

The St. Fergus terminal is in fact in two parts: the producer terminal, where Total Oil Marine, as operators on the Frigg Field, will receive the gas and treat it to meet British Gas specifications; and the British Gas terminal.

When gas arrives in the Total terminal it has already been partially treated offshore, but the full process is sufficiently complex to have to be carried out on land. The Gas Corporation insists that gas bought by it must be 90 per cent. pure methane. This means that any other gases present, such as butane and propane, must be separated and that any other impurities are removed.

To help extract impurities cylindrical rubber "pigs" are forced through the submarine pipeline system under pressure and are caught at the terminal in devices known as "slug catchers." The action of the "pigs" helps to separate any hydrocarbons or liquids present in the gas. The gas can be further purified by heat exchange, pressure control and refrigeration and by-products are separated out and liquified ready for storage and removal by road or rail tanker.

Brent gas, which has butane and propane present in larger quantities, will be handled a little differently. Methane will be extracted at St. Fergus, but it is planned that the other gases will be pumped through an overland pipeline to a gas separation plant at Mossmorran in Fife. Shell-Esso has been granted interim approval to build the plant and already has a contract to sell the products in the U.S. However, final consent has yet to be given by the Secretary of State for Scotland (although it should be merely a formality) and it has not yet been decided whether a public inquiry will have to be held into the proposed route for the overland pipeline.

These problems aside, the British Gas terminal will then receive methane from both the Frigg and Brent fields.

The British Gas terminal at St. Fergus, which cost £36m., is unique in that it combines a reception plant with a compressor station. This is made necessary by the fact that gas will be arriving at 600 lbs per square inch pressure, whereas the standard pressure in the natural gas transmission grid is 1,000 lbs. Compressors are therefore needed to boost the pressure to the level of the national system.

Gas arriving at the terminal not only has to be pure: it has to meet other requirements such as calorific values, sulphur content and pressure. On the site is equipment to check all these specifications—as well as blending equipment to mix the slightly different gases from different fields—flow rate and pressure controls and odorising plants.

Odorant

Unlike the old coal gas, natural gas has no smell, which makes it potentially dangerous. Domestic users may be unable to tell if a tap has been left on or unable to detect leaks until too late. To overcome this an odorent is added which gives the gas a smell similar to that of the traditional manufactured kind.

The fact that St. Fergus also has to compress gas means that it has to have aftercoolers, which are not normally needed at landfall terminals. When gas is compressed, its temperature rises and, if not cooled to below 50 deg. C. would damage the wrapping around pipelines. Large fans are installed to do this job.

There are eight separate power units in the compressor station generating a total of 139,000 hp. They handle some 1.4bn. cubic feet of gas a day, but this figure could ultimately rise to 4bn. The units will be driven by industrial versions of the Maxi Avon and RB211 jet engines.

The end-product from the terminal is delivered to customers throughout Britain through a network of overland pipelines. It is essential that the supply of gas should be reliable and a number of special precautions have been built into the installation to ensure that this is the case.

The design of the British Gas terminal enables individual plants to be by-passed at any stage so that should there be an emergency or a breakdown the supply does not have to be cut off. Should the pressure in the supply drop suddenly, a recycle valve automatically opens in the compressor station and the compressors reduce speed and can circulate the gas for an hour or more to avoid stopping the engines. The aftercoolers come into operation to prevent overheating.

Two independent electricity supplies have been provided from the national grid, with a standby generator to operate the different sections of the plant in the event of a power cut.

To monitor the progress of gas through the plant there is a mass of electronic equipment connected to control centres in London, the Midlands and other regions of Britain by Post Office lines. As a back-up the microwave radio system that was previously in existence in the South and Midlands has been extended north to St. Fergus, with connecting UHF links to the new compressor stations on the pipeline.

The whole St. Fergus terminal can be run by a dozen or so operators—so advanced is its control and monitoring equipment. When all the staff needed to maintain a round-the-clock shift system, maintenance, administration and other services are counted up, the total workforce is only 160.

Total and the Gas Corporation have about 120 acres of the site each at present, but with an area of 500 acres available there is enough room for considerable future expansion. An attempt has been made to reduce the impact of the plant on the local landscape. An artificial lake on the south side of the complex needed for emergency water supplies has already been made a home for swans, herons and other wildlife.

Ray Perman

Marketing strategy for the gas

THE BRITISH Gas Corporation is already winning the lion's share of the growth in the U.K. fuel market. But it faces a major marketing effort over the next few years if it is to find the extra customers to take the rapid build-up of new supplies now be coming available from the Frigg Field.

The increasing production from Frigg, the largest gas field yet developed in such hostile waters as the northern North Sea, will boost Britain's gas supplies by more than a third and will meet over 5 per cent. of primary energy requirements. The field represents a new source of supply at a time when production from some of the southern fields is passing its peak.

It was the discoveries in the southern part of the U.K. sector of the North Sea from 1965-1968 which first transformed the British gas industry and provided the opportunity for it to embark on a complete changeover to natural gas from the relatively high-cost town gas manufactured from coal or oil. Supplies from northern fields such as Frigg, and later Brent, will help ensure gas deliveries to the premium markets to the end of the century and beyond. They have also enabled the gas transmission network to be extended to the north of Scotland and have greatly increased the flexibility and security of distribution.

The emergence of British Gas as a major force in the U.K. energy market has not been without controversy. The rift between the various State energy industries over the relative price of fuels has recently come into the open, with the gas industry facing a concerted assault from the coal and electricity supply industries which see their market shares shrinking at a time when they can do little to halt their increasing lack of competitiveness on prices. According to Sir Francis Tombs, chairman of the Electricity Council, gas should be priced at a level which takes into account the cost of its future replacement by other fuels. Otherwise it will damage the long-term markets for coal and electricity.

"If gas is to dominate the energy market," says Sir Francis, "then its competitors and potential substitutes, electricity and coal, will have limited markets and will not be able to afford the investment necessary on a very long time scale in order to provide the capacity to replace the gas when reserves are depleted." Manufacturers of main plant and domestic equipment in the electricity industry were forced to cut investment, since only limited investment was taking place in the coal and electricity industries. British Gas's present pricing policy, according to Sir Francis, is creating "a precipice problem of substitution for depleted reserves of gas at the end of the century."

Price

The electricity industry has maintained that the cost of producing gas is about 1.9p per therm while the cost of producing electricity is nearer 8p per therm. But the Gas Corporation takes issue with these figures. It claims that the average price of gas delivered to its terminals, which includes transmission costs, is higher, and it says the price is rising. It is possible that the average price will be nearer 6p a therm in three years' time, it says, as supplies from Frigg build up.

The £2bn. exploration and development costs of this field have dictated a comparatively high price by past North Sea standards. It is thought that British Gas might be paying some 10p a therm for Frigg gas, although the exact price is a commercial secret, complicated by the fact that the corporation is paying more for its supplies from the Norwegian side of the field than for those from the smaller U.K. portion, which represents about 40 per cent. of the total.

British Gas is anxious to avoid any sudden increases in tariffs, and it plans that future rises should be gradual in line with the general rate of inflation. Despite the much higher costs of operation in the inhospitable northern waters of the North Sea, some British Gas costs are now lower—particularly interest charges, as it has repaid the loans that were necessary to cover the cost of the natural gas conversion programme and has written off the obsolete gas manufacturing plant.

But however the dispute over pricing is resolved, British Gas is still left with the task of increasing its present total of 14m. customers in order to find a market for the rapidly mounting supplies of extra gas it has contracted to take from the northern fields. Sales of gas have already risen steeply from the total of 3.5bn. therms a year when the first North Sea discoveries were made in the mid-1960s. When Frigg supplies began last September sales had climbed to a level of 14bn. therms a year.

Sales in the domestic market have more than doubled from 2.6bn. therms in 1967 to 6.2bn. therms in 1977. Deliveries in the commercial market have risen from 630m. therms to over 1.5bn. therms and in the industrial sector the increase has been even greater, with sales multiplying from less than 1bn. therms in 1967 to more than 6bn. in 1977.

About 30 per cent. of the total heat supplied in Britain comes from gas and it meets around 18 pc cent. of the U.K.'s primary energy needs. It is now taking more than 40 per cent. of the domestic market for energy, around a quarter of the industrial market and it is obtaining a dominant share of all new ing system installed in both homes and commercial buildings.

The gas from Frigg alone will add more than 30 per cent. to the industry's supplies by the end of the decade, and the Gas Corporation is putting the greatest stress on concentrating the new growth in the premium markets such as domestic and commercial heating and high-grade industrial processes, where the special values of gas as a clean and flexible uel with high heat efficiency can be most effectively applied.

British Gas says that about half of the expansion in sales based on Frigg should come

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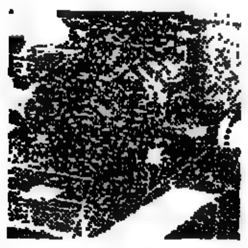
68 in USSR


38 in Italy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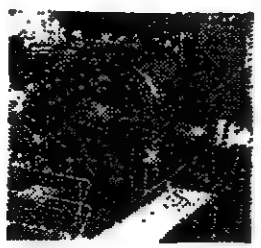
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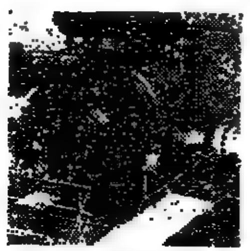
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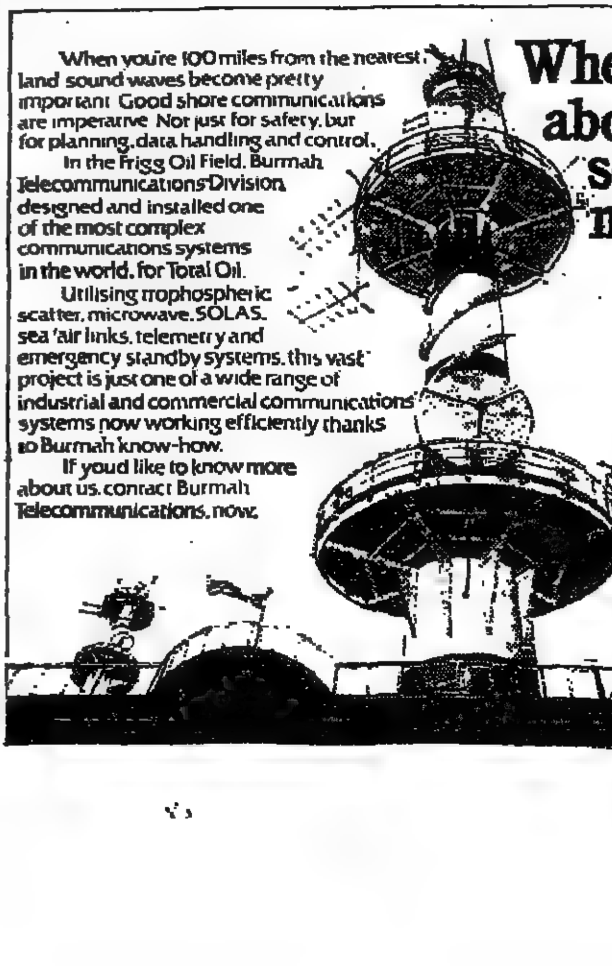


FRIGG FIELD AND ST. FERGUS GAS TERMINAL V

Prospects for reserves

MOTHER NATURE has no regard for *diplomatic niceties.* Extensive exploration drilling in the North Sea has shown that a number of the best prospects lie directly beneath the U.K./Norwegian median line—Statfjord, the biggest oilfield so far *discovered* in Western Europe, and Murchison are two cases in point. When *companies* begin to explore seriously in the Western Approaches they are likely to find reservoirs straddling the U.K./French median line, the route of which has only just been fixed after *years of wrangling.*

Frigg is in a similar position; an estimated 60 per cent. of the reserves lie in the Norwegian block 25/1 with the remainder in the U.K. block 10/1. Named after the wife of Odin, gud of Norse *mythology, the field was* discovered on the Norwegian side in June 1971 by Elf Aquitaine, acting as operator for the Franco - Norwegian Petronord group.

Contrary to popular belief, exploration wells are not drilled merely in blind faith. A good deal of geological study, assisted by *seismic* tests, is conducted before an oil group commits itself to a "wildcat" well costing possibly several millions of pounds.

Spotted

Geologists employed by the French companies had spotted what appeared to be a promising oil or gas structure on early seismic maps well before the allocation of block 25/1 in 1969. Total and its partners drilled an appraisal well in the adjoining block 10/1 in U.K. waters, a block acquired by the French group, Total/Elf/Aquitaine in the third round of licences in 1970.

The French companies were among the first in the North Sea to use successfully a sophisticated seismic method—called the "bright spot" technique—which under certain conditions can detect the presence of hydrocarbons from changes in the density of rocks. Using this additional information Elf Aquitaine *planned* its first well on block 25/1.

The structure seen on the early seismic maps and dubbed the Chinese Butterfly by geolo*gists* was immediately proved to contain a significant gas field. That first well, completed on July 22, 1971, tested a flow of gas at a rate of 700,000 cubic metres a day. The well was drilled to a total depth of about 15,000 feet, locating a thin oil layer below the main gas reservoir.

While Frigg is now accepted as a gas field, the structure does contain a large amount of crude oil by North Sea standards. The Riggs National Bank *of* Washington, in its latest status report on North Sea development drilling, estimates that between 750m. and 1.2bn. barrels of oil have been discovered below the gas sands.

For the time being these oil reserves have been discounted as an uneconomic proposition for three main reasons: 1—technical problems with producing a heavy type of crude (23 degrees API) in such remote and hostile waters; 2—the broad distribution of the reserves; and 3—the relatively thin layer of the oil column, some 30 to 35 feet thick according *to Riggs.*

The second well on block 25/1 followed immediately after the first and again proved the existence of a gas formation within an underlying thin layer of oil. The Frigg partners now embarked on a dual drilling pro*gramme through the winter of* 1971-72 and this showed that the field did straddle the median line as seismic tests had indicated; both the third well on 25/1 and the first one on block 10/1 in the U.K. sector were reported to be successful.

All told eight exploration and appraisal wells were sunk on the main Frigg structure; four on the Norwegian side and four—including one dry one—in U.K. waters.

What they have shown is that Frigg is one of the largest offshore gas fields yet discovered in the North Sea, with estimated recoverable reserves of more than 200bn. cubic metres or 7 trillion cubic feet of natural gas.

What is more, Frigg contains good quality gas. It is low in *sulphur and largely free of* heavy or wet gases. Its composition is 95 per cent. methane—the natural gas used by domestic, commercial and industrial *users for heating purposes*—4 per cent. ethane (a fuel or chemical feedstock) and small traces of heavier liquids. The thickness of the gas-bearing sands is also good, some 140 metres from its top to the underlying oil layer. Finally the natural pressures of the reservoir are good, as tests on the first well showed.

Committed

All the reserves have been committed to the British Gas *Corporation under two separate* supply contracts of over 20 years, signed between the U.K. *and Norwegian partners* in 1973. Following an appraisal of the recoverable reserves by independent consultants De Golyer and MacNaughton the field has been developed as a unit under a unitisation agreement ratified by a unique treaty between the U.K. and Norway.

Now partners in Frigg are beginning to look at the possibility of developing the satellite gas fields in the area. M. Jean Curutchet, director of Elf Aquitaine's Northern Europe and Frigg operations, has pointed out that the partners *had reserve processing capacity* to handle new supplies. While the partners were committed to a peak capacity of between 55m. and 60m. cubic metres a day they could, in fact, handle a total of 90m. cubic metres a day without additional investment on the processing side.

The problem, he said, arose from drilling and production *from the relatively small reser*voirs that lie in the Frigg vicinity. There are three named daughters of Frigg: East Frigg, Northeast Frigg and Southeast Frigg. The first two of these *have a much better chance of* development.

East Frigg was discovered in August, 1973, in block 25/2, some 18 miles from the centre of the Frigg Field. Reservoir properties are said to be comparable to Frigg and again the gas is underlain by oil. Indeed, *it is thought that there may be* a gas connection between Frigg and East Frigg. According to Riggs Bank the pressure communication between the two could eventually result in either gas migration from East Frigg to Frigg or reduced recovery *potential* at East Frigg unless it is developed reasonably quickly.

Gas reserves in place in East Frigg are estimated to be about 8.5bn. cubic metres of which some 6bn. cubic metres are thought to be recoverable. Subsea well systems and pipelines *to Frigg may be used for the* development although the Frigg partners might want to see some *reasonable cash flow from* its current heavy investment before embarking on more spending. On the other hand, they cannot wait too long. M. Curutchet recognises that the Norwegian Government is concerned about the way the exploitation of Frigg might affect East Frigg. He thought that the risk to East Frigg was "very small" although, quoted in the latest Offshore Services magazine, he confirmed that there was a dialogue continuing between the partners and the Norwegian Petroleum Directorate.

The field known as North East Frigg is a much bigger reservoir, perhaps containing 14bn. cubic metres of recoverable gas. Lying in block 25/1 and Esso's 30/10 concession *(both in the Norwegian sector),* the field shows similar characteristics to Frigg, some 10 miles away. But here too there are doubts whether the reserves could justify the development of a fixed production platform. The exploitation of North East Frigg, discovered in the spring of 1974, might have to await the development of the much *nearer Odin Field.*

Doubtful

The South East Frigg reservoir is a much more doubtful prospect at this stage. Discovered in 1974 in block 25/2 it has just 1.05bn. cubic metres of recoverable reserves according to estimates of the Norwegian Petroleum Directurate last summer. On this basis commercial development is very uncertain unless more gas can be found and confirmed. This looks like a *prospect to be pigeon*holed, for the Frigg partners have plenty to busy themselves in the *next few years.*

R.D.

The satellite fields

THOUGH THE main Frigg reservoir, containing an estimated *seven trillion cubic feet,* was declared commercial as early as 1972, no definite deci*sion has yet been taken regard*ing Frigg's satellite fields. These are together thought to contain almost half as much gas as Frigg itself.

The *rapid rise in North Sea* costs is making development of marginal fields in general less attractive than ever to oil companies. This applies particularly perhaps to companies already involved in development of relatively profitable finds. It is tempting for oilmen to postpone taking the plunge on marginals, in the hope that technological *advances or rising petroleum* prices could in time change the economics of these fields and make them more commercially interesting.

There is, however, a case for *arguing that if the Frigg satellites* are to be developed at all, they should be developed as *soon as possible. Because of the* reservoir structure the Norwegian Oil Directorate believes there is a possibility that gas from the satellites may drain towards Frigg itself, now that the field is in production. The longer production of the satellites is delayed, the less they may be able to produce.

The Oil Directorate's annual report says that Odin and East Frigg are "being considered for development" and predicts that they will be declared commercial this year.

Geological evidence indicates that Frigg and its satellites (East Frigg, South-east Frigg, North-east Frigg and Odin) are local structures on a continuous stratum of Eocene sandstone, *the Frigg formation,* with limited lateral extension.

The sand in the Frigg formation is *partially* consolidated and has an average porosity of about 25 per cent. Permeability is relatively good. The gas collected in the structures consists of about 95 per cent. methane and has a relatively low condensate content. Between the *gas-bearing* zone and the water-bearing zone that underlies it is a thin non-commercial oil layer.

Beneath the Frigg formation lies an older sand deposit, the Heimdal formation (previously called the Cod formation). This is believed to *have been* deposited continuously over a very wide area, compared with the extension of the Frigg formation. The Heimdal gas field, which (for development pur*poses) can also be regarded as* a satellite of Frigg, lies about 40 km. south of it and is a *condensate-bearing structure in* this formation.

Separated

The Frigg and Heimdal formations are separated by a zone consisting of sandstone and *slate. This zone also contains* some volcanic ash (tuff) and is therefore generally called the tuff zone.

The structure and extent of the tuff zone—not yet fully known—will affect both the recovery factor of Frigg and the *effect its production* will have on the satellites. If the zone is impermeable, and moreover continuous under the whole of the Frigg formation, then the latter will have a closed pressure system. This could cause drainage from the satellites towards the main field now that *Frigg itself has begun producing.*

According to the Oil Directorate, however, it is *also* possible that the tuff zone is discontinuous or that it may in some way allow pressure and flow movements between the *two formations. In this event,* water from the Heimdal formation will flow into the Frigg formation when the Frigg reservoir is being produced.

The force of this water "drive" will depend on the permeability characteristics of the tuff zone and the Heimdal formation, as well as on how much gas and water the Heimdal formation contains. A powerful inflow of water will have the effect of maintaining the pressure in the Frigg formation, entirely or in part. In this event *drainage from the satellites* towards Frigg would be unlikely.

If water drive is very power*ful,* however, it could lower the recovery factor for Frigg itself. This is because the water front will reach the well area more rapidly than if there were little or no water drive. The field would then have to be shut down because of excessive water production, even though reservoir pressure would still be high. The inflowing water would also "capture" part of the gas, and prevent it from flowing towards *the well area.*

A reservoir study carried out for the oil directorate indicates that Frigg's recovery factor could vary from 60 per cent. to 90 per cent. It will be highest with limited water drive, and lowest if water drive is very *powerful (that is, free pressure* flow between the Heimdal and Frigg formations).

It is not yet certain which of these scenarios is the more likely. An observation well is being drilled this year from the drilling and production platform DP-2. This well will pass through the Frigg formation, the tuff zone and the Heimdal formation. It will allow observation of fluid movements and pressure variations which could over a *period of time* reveal whether (and how strongly) water is flowing into the Frigg formation during production. It is anticipated, however, that observations will have to be made over a period of one to two years, from the time full produc*tion starts, before* a fairly certain reply can be given.

The Oil Directorate annual report says that early development of the satellites is desirable, even if there should prove to be no danger of drainage towards the main field, in order to get them into production dur*ing the life of the Frigg trans*portation system.

What are the commercial prospects of the satellites? The oil companies involved (Esso, for Odin and N. E. Frigg; the Petronord group for E. Frigg, S. E. Frigg and Heimdal) tend *to be non-committal.* A spokesman for Norsk Hydro pointed out that these are relatively small fields—"seen in relation to the level North Sea costs have now reached." An Esso executive said his company was studying Odin and N. E. Frigg and "*hoped to come up with* viable plans" for them.

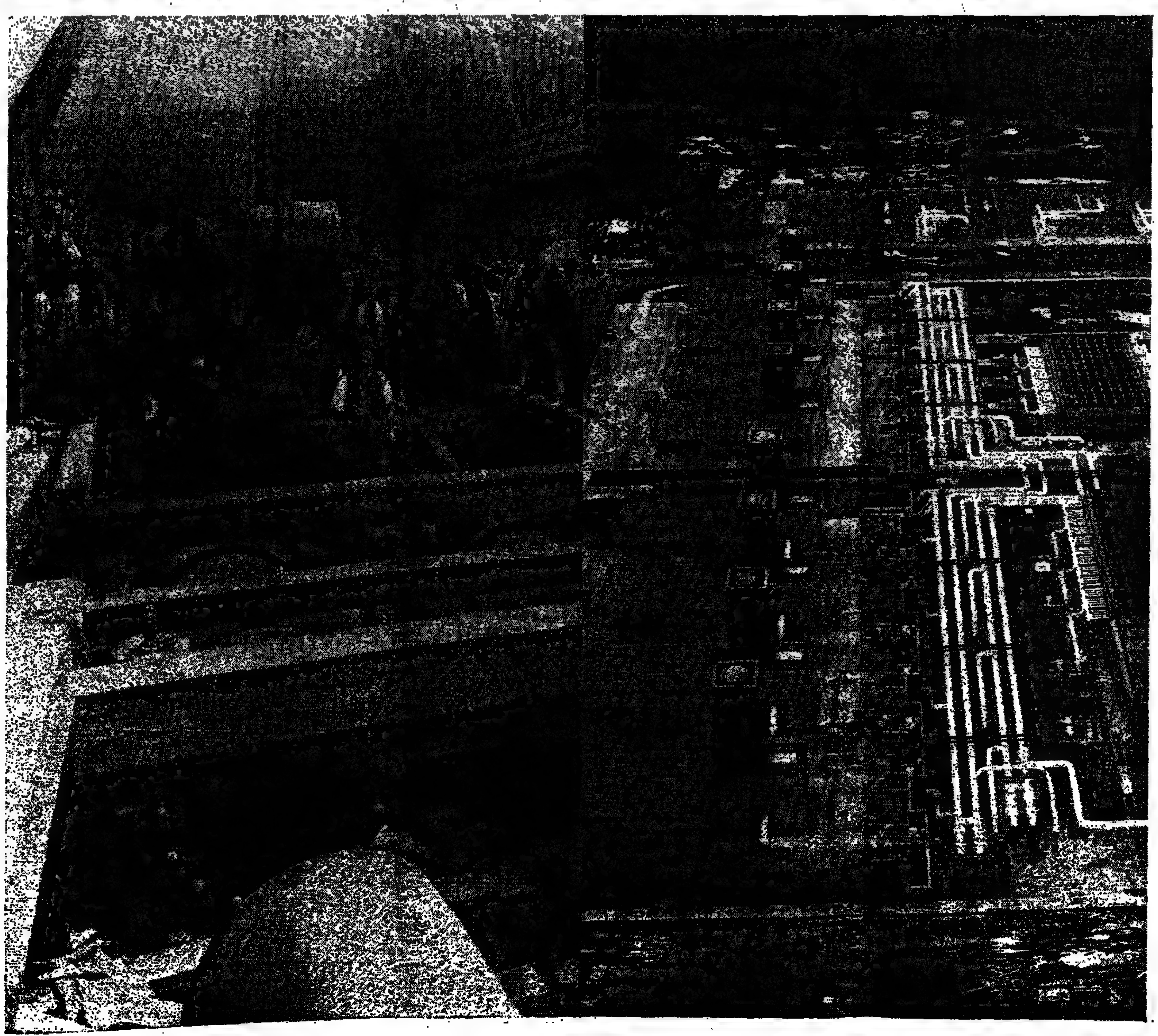
Determine

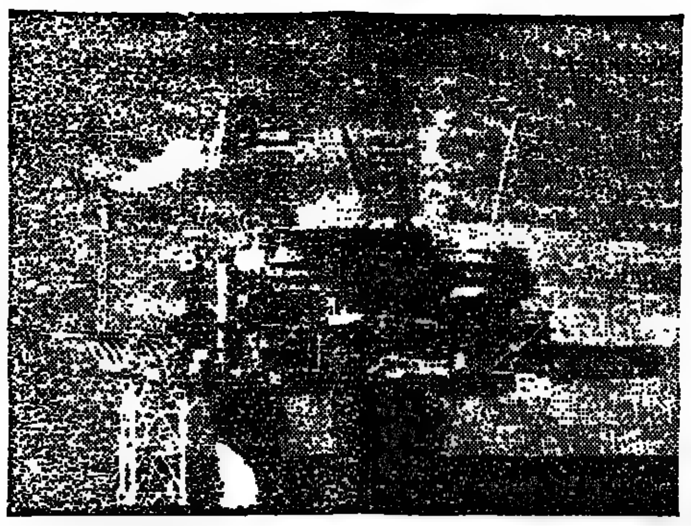
Some pre-design work had been done, to determine likely development costs. The problem was to find developments which were economically feasible, while still taking account of environmental, safety and resource considerations. In addition Esso had been in touch *with both the Oil Directorate* and the Frigg partners (since gas from Esso's satellites would *have to go through the Frigg* transportation system). The company was keen to reach a conclusion as soon as possible, but "there are other parties involved."

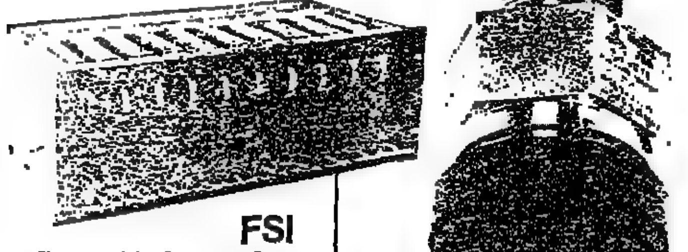
One of the other parties of course is the British Gas Corporation—the natural customer for Frigg satellite gas now that the scheme for a small diameter pipeline to Norway has more or less been shelved on economic grounds. Will the Corpora*tion be prepared to offer enough* for the gas to make production worthwhile?

The Norwegian Government may be willing to make concessions that could influence oil company calculations. Deputy Oil and Energy Minister Trygve Tamburstuen said recently that his Ministry was considering "special arrangements" that it hoped would induce *companies* to develop six marginal fields in Norway's sector, among them *the Frigg satellites,* E. Frigg, N. E. Frigg, Odin and Heimdal. The special arrangements would probably vary from field to field, he said, and could range from partial tax exemptions to dispensation from normal regulations concerning depletion rates. *He said talks about this* had already started between the oil companies and the Oil Directorate.

Fay Gjester
Oslo Correspondent







Gas collection systems

THE LATEST studies into possible gas collection systems in the North Sea have clearly shown that whatever option is adopted the twin pipelines from the Frigg Field to St. Fergus will play an important part.

The bulky report from the Gas Gathering Pipelines study company, presented to Government within the past month, has still to be published. It will have to have the wealth of confidential commercial information extracted first. But it seems that GGP has concluded that there is insufficient gas in reservoirs so far identified but not yet exploited to justify the construction of a new major trunkline system.

This will be a blow to pipeline builders — particularly British Steel Corporation—and those who would have been associated with the laying of such a line and the fabrication of allied equipment. For some time there has been talk in the industry of the need for a new 800-mile pipeline network which, with associated facilities, might have cost as much as £5bn.

Such an ambitious system may be built one day, assuming more gas is found in the North Sea—and there is a distinct possibility that another major gas field will be discovered. In the meantime, the Government is likely to sanction a first-stage mini collection system, costing perhaps £250m. to £500m. Such a system would link a number of fields with the Frigg and Brent gas lines. Reservoirs in remote locations, perhaps with too little gas to justify a pipeline link, might well be exploited in another way. Novel systems now being considered by both industry and Government experts include the offshore conversion of gas into electricity for transmission to shore through cables. New techniques are now making this option much more attractive. Alternatively the gas could be liquefied offshore for shipment in LNG carriers or even converted into methanol or ammonia.

Vital

It is vital that offshore companies look seriously at these opportunities for it is clear that the Government is taking an increasingly tough line with companies that want to flare—and waste — gas produced in association with oil. As Mr. Anthony Wedgwood Benn, Energy Secretary, commented a few weeks ago: "My general objective is to ensure that all gas which can be collected economically is brought ashore."

Mr. Benn was unveiling what might be considered an integral part of the mini collection system. He was reporting that Shell and Esso had applied to the Department of Energy for permission to build a gas pipeline link between their Cormorant and Brent oil fields. They want to transport the Cormorant associated gas to St. Fergus via the Brent system's "FLAGS" pipeline now under construction. Furthermore, it seems that other fields to the west of Brent might also be linked to the Brent pipeline. Apart from Cormorant, the fields that could be tapped are Chevron's Ninian Field, and Unocal's Heather Field, both due on stream later this year, as well as Amoco's North West Hutton Field which has yet to be developed. It is estimated that the cost of pipelines for this network alone could exceed £70m. although compression facilities would raise the price considerably.

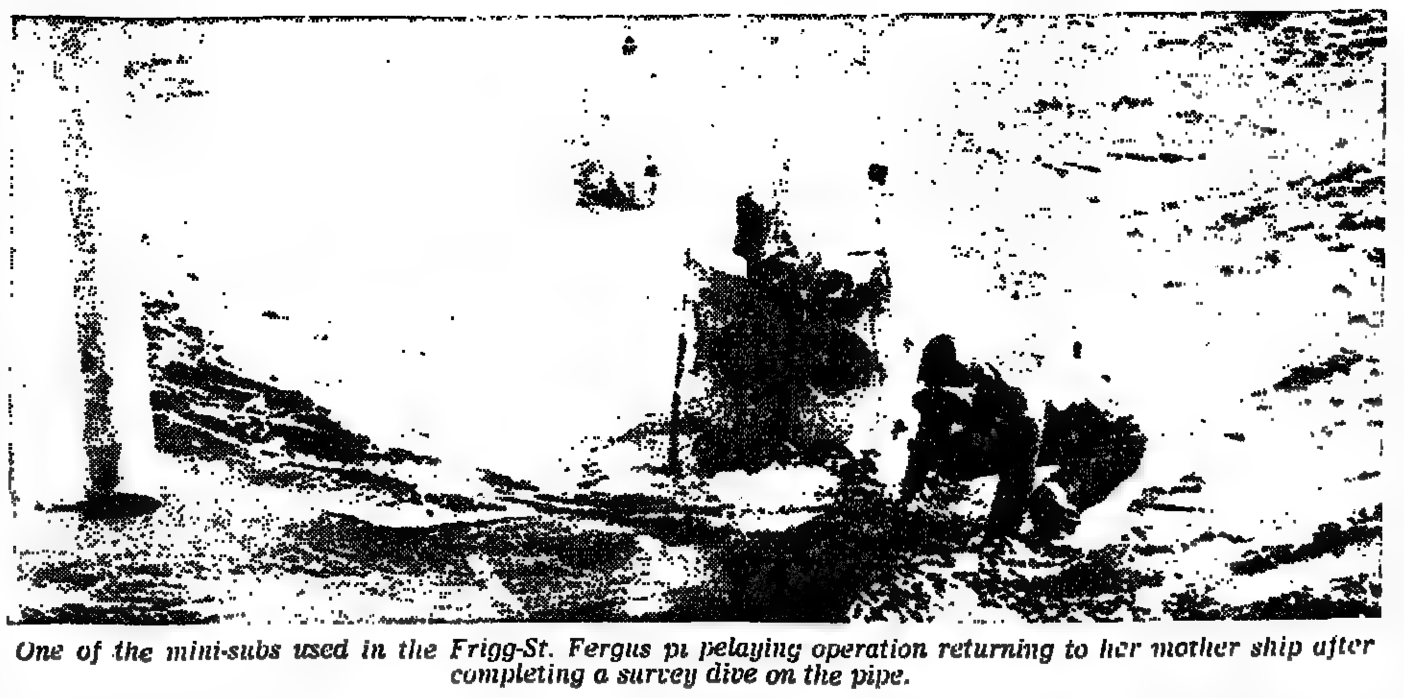
Similar steps have also been taken with at least two fields close to the Frigg pipelines. Occidental is to send small quantities of associated gas ashore from its Piper Field via a link with the U.K. Frigg line while Texaco is to adopt a similar system for gas in its Tartan Field.

The Piper gas gathering system is being implemented as a Government-imposed condition for increased oil output from the field. In essence the Department of Energy told the Occidental consortium that it could raise the peak oil production from Piper by up to one-third providing an acceptable gas recovery facility was built.

Occidental's proposals, costing over £85m., include using some of Piper's 90bn. cubic feet of gas reserves on the nearby Claymore Field—for power generation and reservoir activation—with the remainder being sent ashore via the Frigg system. The 35-mile-long Piper-Frigg pipeline is expected to be built later this year.

The capacity of this spur line will be about 90m. cubic feet a day. As the peak production of Piper gas through the line is expected to be about 21m. cfd —reached next year—there will be plenty of spare capacity for gas from other reservoirs. This is where Texaco's Tartan Field comes in.

Tartan lies conveniently between Piper and Claymore and as a result of their close proximity Texaco has decided to take a firm option on the use of the Piper-Frigg link.



One of the mini-subs used in the Frigg-St. Fergus pipelaying operation returning to her mother ship after completing a survey dive on the pipe.

Stockbrokers Wood, Mackenzie reported recently that the Frigg partners might charge 60 cents per million cubic feet to carry Piper gas through its trunkline. On this basis, says Wood, Mackenzie, Piper partners would pay the Frigg group $4.5m. next year.

There is a possibility that other U.K. discoveries could be linked to the Frigg trunkline, particularly now that the chances of a major new pipeline system seems to be receding. In its 1976 report on gas gathering systems, consulting engineers Williams-Merz drew up one option which would connect the Beryl Field, the Bruce Field and Total's discovery on block 3/25 with the Frigg line.

Williams-Merz estimated that a new gathering network for the whole of the U.K. sector could carry between 1bn. and 1.5bn. cubic feet a day over a 12-year period. This would be in addition to the 6m. to 9m. tons a year of heavier gases — ethane, propane and butane — which might be used as the basis for a major expansion of the chemical industry.

Apparently GGP has taken a more cautious view of both the proven and probable gas reserves and the possible rate of production. On this assumption GGP must also be at odds with consultants Buchanan and Clacher which, in a £3,000 report on collection systems estimated that by 1985 production from the North Sea could reach over 5m. barrels of oil a day, 12bn. cubic feet a day of natural gas, and up to 30m. tons a year of gas liquids.

Reckoning

Buchanan and Clacher was including the Norwegian sector in its reckoning, however. This is right, for it now seems increasingly likely that at least some of the currently unexploited Norwegian gas reserves will be transported to the U.K., again quite probably through one of the Frigg gas lines.

The most obvious reservoirs to be tapped in this way lie in quadrants 25 and 30 of the Norwegian sector, conveniently close to the Frigg Field complex. According to recent Norwegian reports four of these known fields could contain some 85bn. cubic metres of recoverable gas reserves: Odin (30bn.), North East Frigg (14bn.), East Frigg (6bn.) and Heimdal (35bn.). This is quite apart from the estimated 68bn. cubic metres of gas in the big U.K./Norwegian Statfjord Field farther to the north.

If some or all of this new gas was to be fed into the Frigg system throughput capacity, particularly on the Norwegian line, would probably have to be upgraded by means of compression facilities on the intermediate platform. As the dual pipelines are not unitised the new Norwegian gas would almost certainly be carried through the Norwegian line which is destined to be fairly full with Frigg gas anyway.

The Frigg Field is due to produce at a level of 43m. cubic metres a day by the end of 1979 —equivalent of about 30 per cent. of British Gas Corporation's current supplies. In view of the unitisation agreement for the field, some 60 per cent. of the flow will be through the Norwegian portion of the pipeline system. The free flowing capacity of each pipeline is about 30m. cubic metres a day which indicates how little spare capacity there will be in the Norwegian line without increasing the pressure limits.

Upgrading the line with compression facilities is well within the bounds of modern technology—indeed, tentative provision for this has already been made by the Frigg partners. A much thornier problem will arise with the disposal of the gas.

Norwegian producers will want to sell their gas at the most favourable price. In current circumstances that price is related more to the Continental market than to tariffs in the U.K. Furthermore, it is questionable whether, in the interests of conservation, British Gas will want to buy large quantities of additional gas in the next few years in view of the supplies from Frigg, Brent and the southern gas fields.

The answer to this problem —and it is a possibility being considered—is that new Norwegian gas should be carried through British Gas Corporation's distribution system (for a fee) to a new pipeline which would be built across the English Channel.

Up to now British Gas has been against the construction of such a pipeline. It has argued that it would be too easy for gas-thirsty Continental users to suck precious supplies from the U.K. However, there is another side of the argument. The Continent is also developing a distribution system to handle gas supplies from places like Russia and North Africa. Maybe one day British Gas will be pleased to be connected to this wider system when supplies from Frigg, Brent and other fields become exhausted.

R.D.

Twin pipelines thread through the deeps

INSTALLATION OF the twin, 360-kilometre, 32-inch lines from the Frigg Field to the St. Fergus landing site involved the laying of the deepest and certainly the longest large-diameter gas pipelines then attempted offshore in the world.

For the first time, the operating company (Total) applied the technique of hyperbaric welding on the seabed to joining pipe sections underwater. For the first time it connected the lines to a platform using "pull in" methods. For almost the first time, it used a shipshaped lay-barge capable of handling double pipe lengths.

Work continued over three laying seasons from 1974 to 1976 and, at the peak of activity, included the employment of three pipelaying barges, two pipe-burying barges, two pocket submarines with a support vessel and a total fleet of around 60 service ships to ferry pipe lengths to the barges, to handle the anchors and to provide equipment and provisions.

By the time that the finishing touches were finally placed in 1977, the whole transportation system, including the two lines and intermediate platform halfway along, had cost some $1.2bn. (excluding interest charges) — around 30 per cent. of the overall cost of the entire Frigg development.

Beloved

These are, of course, simply statistics, much beloved by the industry and of rather less meaning to those outside. Frigg, after all, is one stage—albeit a major one—in the development of offshore pipe construction which started a decade before in the southern sector of the North Sea and is already moving on to much greater distances and much deeper waters.

But for the companies involved it has been one of the most ambitious North Sea projects so far while even for Total it will probably prove the largest and most costly exercise of this decade.

It is not simply the distances involved or the depths of water (up to 600 feet). it is also the immense logistical effort of determining a route and organising the equipment and contractors to complete the task in as small a space of time as possible. All the more so are pipelaying is the most painstaking and the most sensitive to weather of all offshore operations. The precoated pipe in 40 foot lengths must be shipped out in a continuous stream to the lay barges where it is welded together on board. As each pipe length is welded and checked, the barge then pulls itself forward along its anchors allowing the pipeline to slip from its back down a ramp of "stinger" designed to ease the pressures as it curves down to the seabed.

The operation can only be carried out in the summer months and is easily disrupted by even moderate waves and squalls. The weight of the pipe —in this case ⅝ inch X65 grade steel coated with concrete of 1¼ inches to 4¾ inches—and the depth of the water puts enormous strain on the line as it descends and the line has to be tensioned by special tensioners on the barge. If bad weather intervenes, the line has to be dropped to be picked up later and hauled back on board. If the tension is wrong, it can easily buckle (buckle arrestors are placed every seventh length to prevent this continuing on in a concertina effect right down the line).

As with so much in the North Sea, all did not go smoothly. Weather, problems in getting hold of the equipment, delays in barge delivery and simply the initial difficulties of learning meant that only 56 kilometres of the number one line was laid during the first season of 1974. The platform under construction in Norway for the line had to be diverted for use in the field after the accident with the first drilling platform there. Costs started soon to outrun initial estimates, while early plans to lay the two lines at some distance apart in order to ease the congestion problems and the chances of accident from the anchors had to be revised in the light of the difficulties this might throw up for the operators of other licence blocks along the route

Once the operation got into full swing, however, it proceeded with unusual speed. The second season saw around 238 kilometres more of number one line laid and 129 kilometres of the second line.

The coastal landing of the lines was performed in June and July of that year to minimise the disruption to the coastal dunes. This was a particularly tricky part of the project. A large quantity of rock had to be blasted to ease the passage of the line. The barge, the ETPM 1601, could get no nearer than 1,500 metres from the coast. The line at this point had to be coated with particularly large thicknesses of concrete, making it necessary to buoy it with flotation tanks released either automatically or by mini-sub, during laying. Once the first sections were laid, it then had to be winched ashore, trenched through the dunes—which were then carefully restored with the advice of experts from the University of Aberdeen.

The same season also saw the first use of hyperbaric welds. This technique entailed joining sections previously laid by barges together on the sea-floor itself rather than more traditional methods of hauling them up and joining them in surface conditions on the barge.

The sections are laid close to each other, slightly overlapping. They are then cut to precisely the right length by divers and flooded to give stability. A 200-250-ton alignment frame is used to raise the ends and align them exactly, while a bottomless welding chamber is lowered over the two pipe end as the working room. Once made water and gas tight and the pipe ends are sealed, divers enter the chamber where they do the welding of a spool piece to join the ends in a "dry" environment. The technique sounds complex but, in the event, enabled the high quality of welding necessary to be carried out with considerable speed and accuracy. It has since been used on nearly a dozen occasions both for "tie ins" and for pipe repairs.

The next year, 1976, saw the final 70 kilometres of line one laid and virtually all the remaining 233 kilometres of the second line (the final three kilometres and the connections with the producing platforms were done in the early part of the 1977 season).

It also witnessed the installation of the manifold platform, nearly halfway along the line, 174 kilometres from the coast and 186 kilometres from the field installations.

The platform of C. G. Doris design was constructed in Sweden by Howard-Doris to replace the original structure of similar design transferred to the role as the first drilling platform. Standing 123-metres high, it consists of a massive central tower perforated at the top to break the wave forces and skirted at the bottom by a similar perforated wall (of Jarlan design) with six radial tunnels radiating out from the central shaft.

The main purpose of the structure is to receive the "pigs," or spheres sent down the line from the field to clean out any liquids in the pipe and to re-inject new pigs for the remainder of the trip to St. Fergus. The spheres have a limited life, so have to be replaced after a certain distance.

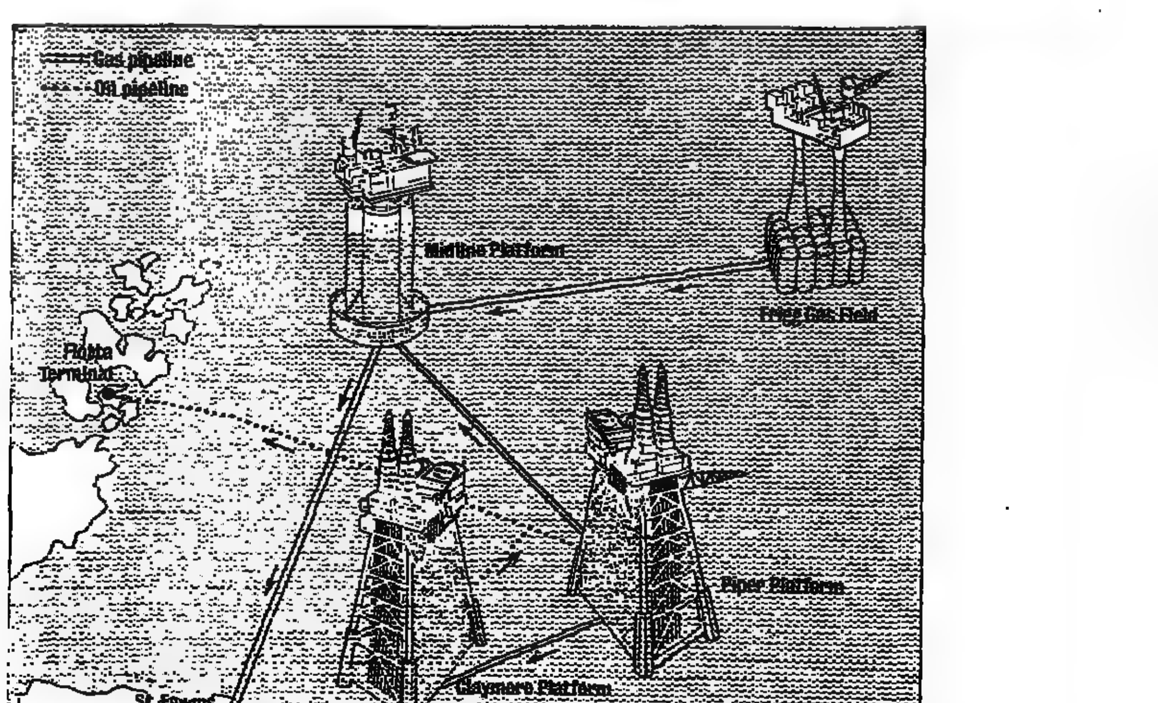
In addition, the platform also acts as a central communications point not only for the Frigg system but also other platforms in the area, and has been equipped with tropospheric scatter links, rented from the U.K. Post Office, as well as more conventional radio communications.

The tunnels integrated into the structure enabled, again, Total to use for the first time a pull-in technique for connecting the pipes to the platform similar to that used to take the pipe ashore, with the attraction that welding could be done in a dry atmosphere. The two remaining unused tunnels could potentially be taken up with lines from other fields at a later date. Already agreement has been reached with Occidental to take the gas from the Piper Field into the Frigg system at this point.

The platform has also been designed to take turbine compressors (early planning suggested that some eight units might be installed each rated at 25-30,000hp) to increase the flow capacity of both lines, although this has still to be finally decided.

As it now stands, therefore, Frigg has the biggest transportation system in the North Sea, the pipes virtually entirely buried along their length, a major manifold point halfway along and a twin-system which adds greatly to security of supply as well as capacity. The lines will be operated at pressures of between 100 and 50 bars and, at free flow, are thought to each have a capacity of some 30m. cubic metres per day which might be increased to 45m. cubic metres per day with compression, although the operators are rather coy about giving figures, partly for reasons of commercial discretion and partly because the question of pressures and velocity will require experience.

By a Correspondent



هكذامت الأجل

Under several flags

THE BRIDGE connecting two of the platforms in the Anglo-Norwegian Frigg Field crosses the boundary line between the U.K. and Norwegian sectors of the North Sea. It is an apt symbol of the international flavour of the companies that have developed the field and also of the co-operation between Governments that was needed to ensure that the reserves of gas could be brought ashore with the minimum delay. Even with that co-operation the field was still fifteen months behind the original schedule when it came on stream, and by then the original rough estimate of the amount the companies would have to invest offshore to get the field into production had jumped two and a half times.

It was no coincidence that the same group of French companies found themselves with licences on adjacent blocks in the U.K. and Norwegian sectors. The French oil companies, Elf, Total and Aquitaine came together early in the North Sea search to apply for licences, believing that such a consortium would give them a stronger hand in negotiation with governments. They were also among the few companies that had noted the area on seismic maps as holding future potential for exploration. They were one of the earliest consortia to make successful use of the seismic technique known as "bright spot," a sophisticated method by which the presence of hydrocarbons can be detected under certain conditions from the changes in the density of the rocks.

Having made the important decision to share the risks the French group gained licences in the first rounds both in the U.K. sector, in a group headed by Total Oil Marine, and in Norway in a group headed by Elf Aquitaine and including Norsk Hydro, Norway's largest industrial business.

Subsequent development has shown that 60.82 per cent. of the field lies in the Norwegian sector and 39.18 per cent. in the U.K. sector. The State-owned Elf Aquitaine Group has the biggest share in the £2bn. field with a 51.3 per cent. interest, the other French company Compagnie Francaise des Petroles (CFP) — otherwise known as Total—has a 25.7 per cent. share, Norsk Hydro has 20 per cent. and Statoil, the Norwegian State oil company, has 3 per cent.

Elf Aquitaine, the Frigg operator, is involved, either with Total or in partnership with others in 33 blocks around the coasts of the U.K. Societe Nationale Elf Aquitaine is 70 per cent. owned by the French State and is a subsidiary of the 100 per cent. State holding company, ERAP (Enterprise de Recherches et d'Activites Petrolieres).

Founded

The companies were founded in the years before the outbreak of World War II, when France was waking up to the need to secure its own supplies of hydrocarbons. As a result of initial exploration carried out in France some gas deposits were developed and in 1945 the Bureau de Recherches Petrolieres was created with a strategy of exploring worldwide, but with special emphasis on colonial territories under French administration.

The most successful early years of exploration were in the 1950s with the major gas discovery at Lacq in south-western France, and others in the Sahara and in Gabon, but in 1971 it had to face the nationalisation of its assets in Algeria. In recent years it has developed the status of an international oil company with wide interests in exploration and production, shipping, refining and chemicals, where it is an equal partner with Total in Ato Chimie.

Last year the group spent some Frs.9bn. on investment including Frs.1.86bn. on exploration and Frs.3.9bn. on development of wells and acquisitions, two thirds of this in Europe. According to M. Albin Chalandon, chairman of Elf Aquitaine, the development of production will be at an annual cost of Frs.4bn. to Frs.6bn. in the coming years. The group could not finance that sort of effort, let alone exploration costs, without the sort of profitability that at present there was no hope of achieving, he said recently.

Bringing the Frigg Field on stream had cost the field partners some Frs.20bn., of which half had been borne by Elf. The bringing on stream of new resources together with existing developments would give Elf Aquitaine in the early 1980s an annual output of some 20bn. cubic metres of gas and around 16m. tonnes of oil. This contrasts with 1977 production of 11.6bn. cubic metres of gas and 18.7m. tonnes of oil, showing the increasing importance of gas for the company.

The success of last year's exploration efforts alone have added reserves of some 35m. tonnes of oil and 40bn. cubic metres of gas, but the cost has been high at around Frs.60 per tonne of oil equivalent. Over the last two years Elf Aquitaine's capital spending has substantially exceeded net cash flow. The development of the Frigg Field has been the biggest single item and the income which this is at last beginning to generate will be put towards debt repayment. It is expected to be five to six years before the field development starts to show a profit and then the Frigg revenues will be used to fund new operations, with exploration the top priority.

The group's most profitable discovery has always been the Lacq gas field in Aquitaine which provides 40 per cent. of the natural gas consumed in France. Offshore exploration is continuing in the Bay of Biscay, but early hopes have not been realised. The group's main source of crude oil is Gabon and other parts of West Africa including Nigeria, Congo and Cameroon.

Total has suffered many problems similar to those of its French partner in the Frigg development, though it returned to profit last year. Total, the largest oil company in France, ranks among the major international oil groups of the Western world and is in eighth position in terms of production and ninth in refining and marketing.

The company's investment in developing production around the world has shrunk in the past 18 months, partly reflecting the coming on stream of wells in Indonesia and the Frigg Field and partly because of its need to reduce the weight of its debt. Its fields in Indonesia are now fully on stream and last year it had the right to some 3m. tonnes of the 11.5m. tonnes lifted.

Total's major crude resources derive from the Middle East, North Africa and more recently Indonesia with the productive discoveries of the Bekapai and the Handil Fields. The acquisition of Hanover Petroleum in North America in 1976 has consolidated the position gained by Total's existing subsidiary and Total now has exploration in most of the U.S. oil States. In the North Sea, apart from its major interest in Frigg, it also has a four per cent. interest in the Norwegian Ekofisk Field and it is involved in gas fields in the Dutch sector, both onshore and offshore.

The French companies' major partner in the Frigg development is Norsk Hydro, which has been active in fertilisers and chemicals since 1905 and is now involved in industrial chemicals, petrochemicals, light metals, oil exploration and refining. In the Norwegian sector of the North Sea it has been a partner in the Petronord association with Total and Elf Aquitaine from the start and it now has shares in more than 30 full or part-blocks, including six in which it acts as operator. It has a 6.7 per cent. interest in the Ekofisk Field.

Complex

It was the discovery of major reserves of oil and gas in the Norwegian sector of the North Sea that launched Norsk Hydro, which has a 51 per cent. State interest, into the petrochemicals industry with the building of a new industrial complex at Rafnes. Here the company owns a vinyl chloride monomer plant and has a 51 per cent. share of an ethylene plant and 50 per cent. of a chlorine plant. It also has a third share in three plastics plants that are being built at nearby Ronningen. Condensate feedstock for the ethylene plant is coming from the Ekofisk Field. The recent period of very heavy investment has substantially built up the company's burden of debt, but this should now begin to fall with both the Ekofisk and Frigg Fields on stream.

Statoil, the smallest partner in Frigg, was formed by the Norwegian Parliament in 1972 to take care of the Government's business interests in the development of petroleum. It is now the largest single licensee in the Norwegian North Sea with interests in 46 blocks, and it has been a majority partner in all blocks awarded since 1973. Apart from its interest in Frigg it has a 40 per cent. share in Heimdal and a 50 per cent. share in the giant Statfjord oil and gas field, the largest discovery in the North Sea, which is now under development. Statoil will also have the main responsibility for petroleum development north of the 62nd parallel, when the Government opens up this northern part of its Continental Shelf.

Kevin Done

Communication links

THE OIL industry's demand for efficient offshore communications is expected to grow considerably over the next ten years—in line with increased production rates and improved technology.

In areas such as the Frigg field, where fixed installations are possible, it is tropospheric scatter which provides the links between production platforms and the U.K. mainland. Communication links between the Frigg platforms and Norway are via a satellite.

Tropospheric scatter involves sending up powerful radio waves at microwave frequencies from huge billboard shaped transmitters. The beam is bounced back to the earth's surface off the troposphere, a turbulent layer of atmosphere about 30,000 feet up — roughly the same height at which jetliners fly. The beam has to be powerful because much of it penetrates the layer and only 2 or 3 per cent. of it is reflected down again. Yet the little that scatters down to the surface can still provide a highly predictable radio path and this method of transmission is claimed to be 99.9 per cent. reliable.

The tropospheric scatter equipment for the Frigg Field has been manufactured by Marconi at a total cost of about £1m.—including the price of the dish transmitters. This makes it far cheaper than a special satellite which would cost around £30m. to build, launch and service.

But in some circumstances communications via satellite are the only option and the European Space Agency has proposed that a European Communications Satellite should be built. One transponder of this has already been allocated to the offshore oil industry. Operating in the 11 to 14 GHz bands—that is super high frequency—this satellite oil service communication service would be fixed and it would serve production platforms, pipeline booster stations and other offshore structures.

The service area that would be covered by the European Communications Satellite would extend from the Atlantic coasts of France and Spain in the south well up into the Arctic Sea in the north. It would extend to the Barents Sea in the east and to Jan Mayen Island and Rockall in the west.

One of the problems with the antennae systems used for satellite reception in the North Sea is the weather. The antennae have to be able to survive winds of up to 90 mph and temperatures that can cause the sea spray to freeze on impact, leaving an accumulation of ice on the superstructure. It is because of this that the compact antennae required are housed in a radome.

Tropospheric scatter, despite its comparative cheapness, does have limitations on its use — hence the need for communications satellites. Not only does it require a stable reception base: it is inoperable more than about 250 miles out to sea. The Frigg Field, however, is only about 220 miles from the terminal at St. Fergus. The transmision centre for Frigg is at Mormond Hill in South Shetland.

Tropospheric scatter can be used for direct telephone links, for data transmission and for telemetric links. The need for direct phone links is obvious, though an interesting footnote is provided by the Post Office. It proudly points out that workers on North Sea gas and oil platforms can have access to 355m. telephones in 67 different countries — just like their fellows on the mainland.

Telemetry

Most data transmissions are telexed, though it is possible to send and receive information in the form of a dial reading, as a print-out or as a visual display unit reading. The data channels are used for telmetric contact and telemetry is one of the most interesting aspects of offshore communications. It is a means whereby information can be transmitted in digital packages and it is expected that it will make possible an increasing degree of remote control over oil or gas production.

For example, telemetry can be used to open and shut valves. According to Marconi, telemetry is going to be a "growing area."

The development of telemetry emphasises the importance of good communications for production in the North Sea. Any failure can have far-reaching consequences for production schedules and even for the safety of equipment and staff. As far as the people working in the North Sea are concerned, it is clear that communications are also important for sustaining morale.

In the Frigg Field there are five major platforms, plus a sixth unmanned flare stack for emergency use. Three of the platforms are in the U.K. sector while the other two are Norwegian. Two of the U.K. platforms are treatment platforms but the third acts as a communications centre and living area. It is physically connected to the other platforms by a bridge and there is no gas on it, so it is "safe" both as an offshore hotel and as a communications nerve centre. The reception transmitter and link-up equipment are housed there.

Although the tropospheric scatter system used in the North Sea was developed and produced by Marconi, it is the Post Office which is responsible for running the transmission stations and maintaining the equipment. The Post Office has a £5m. programme for North Sea communications.

As far as the manufacture of communications equipment for offshore use is concerned, a number of systems will continue to compete for fixed services business as oil production increases. Mr. J. D. Rogers of Marconi Communications Systems points out that companies will have both tropospheric scatter and satellite terminals to chose from. But he adds that in the North Sea at present the low rental of 3 U.S. cents—1.64p—per minute for a tropo voice channel makes this the most economic system for users of fixed services.

Sue Cameron

Marketing

CONTINUED FROM PAGE IV

from the domestic market where a major proportion will be for central heating. A third of the new supply will go to industry and the rest to commercial markets.

The target rate British Gas has set itself for expanding sales is 700m. therms a year for the next four to five years, and this should be sufficient to meet the supply curve that will build up with the extra gas from Frigg and Brent. With other fields still to be utilised, such as the Morecambe Field in the Irish Sea, the Gas Corporation is confident that there are already enough proven reserves to continue sales to the premium market through to the end of the century at the level it will be setting in the mid-1980s of some 18bn. therms a year.

British Gas has kept pushing sales to the domestic market ever since the southern fields came on stream in the 1960s. But in the industrial market it has been a different story. During the early 1970s it bid for the gas from the Ekofisk Field but did not offer a sufficiently attractive price and the gas went instead to northern Germany. The hiatus this caused in the build-up of supplies, with the wait for Frigg to come on stream, meant that new sales to the industrial market had to be held back for a number of years until the end of 1976.

It started to place gas in the industrial market again late in 1976 but the big sales campaign began in 1977 and will last well into 1979. It has been particularly successful in the domestic market, partly because of the growing price differential with electricity. Domestic central heating is a vital market sector because it counts for 75 per cent. of present growth. Decisions taken by local authorities in recent years mean that gas is now taking as much as 80-90 per cent. of the central heating market in new council houses, compared with a level of only some 50 per cent. up to 1970.

In all, British Gas is now selling 500-600,000 central heating boilers every year, and if this level can be sustained it will provide a new market each year of some 400m. therms, about half of the additional gas available. This is the most important sector of the premium market and will be the easiest to sustain in the next century when the inevitable switch occurs to substitute natural gas, because it already carries the highest prices.

British Gas is confident that room for growth in the domestic central heating market will be present for many years. Even after five years of the kind of expansion it is envisaging half of the country's stock of council houses and a quarter of the domestic market will still be without central heating.

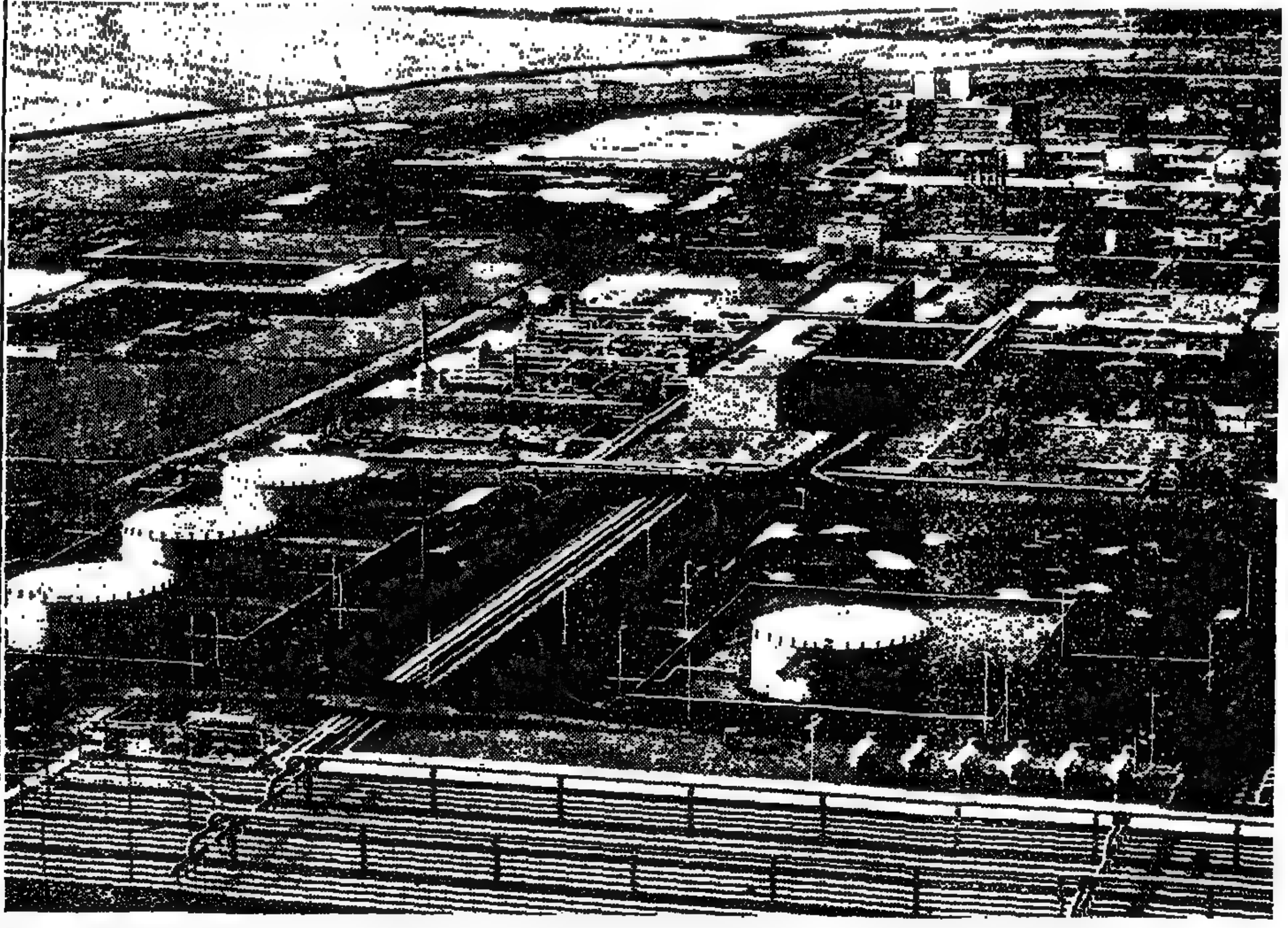
In the domestic market it is electricity prices that provide the competition, but in the industrial market it is more often oil that is the competing fuel. The average domestic price of gas is now 18p per therm, while in the commercial market, where customers are bigger, the price averages out at 17.7p per therm. The commercial market is set to grow at 150m. therms a year and the industrial market at 200m. therms a year.

Some threequarters of the industrial sector growth will be in special contract sales rather than in the tariff market, and fewer sales will be made on the basis of interruptible contracts. Users that have agreed in the past to take gas supplies on the basis that they can be interrupted at any time have of course been able to buy at considerably lower prices. They have been needed to help the Gas Corporation deal with periods of abnormally high demand, but it is now developing other options for flexible supply such as emergency storage liquefaction facilities and perhaps its own fields such as Morecambe, which will not be subject to rigid supply contracts. Interruptible sales last year totalled some 2bn. therms, but this market will now be restricted.

The Gas Corporation has also modified its general sales policy for industry in recent years after some uncomfortable experiences stemming from early contract sales in the late 1960s. The most notable lesson came from the biggest industrial contract it ever signed, a 15-year £250m. 900m.-therms-a-year deal with Imperial Chemical Industries signed in 1969. The contract remained virtually unscathed by the OPEC quadrupling of oil prices and has little provision for reflecting the much higher production costs from the northern fields.

The contract was recently renegotiated, but from very low levels, and British Gas is now insisting that industrial contracts are made on no more than a three-year basis. After a year the gas price is indexed to the oil price and contract renewals are only made on an annual basis.

K.D.



Catering for good morale

ONCE IT settles down to basic operational duties the Frigg Field will contain something like 340 men working in cramped, dirty and often dangerous conditions. One way for the operating company to ensure that worker morale—and therefore productivity—stays at an acceptable level is for its catering services to be of a high order. In this respect Elf Aquitaine Norge, the operating company for the Frigg Field, has clearly been at pains to minimise any risks.

There are no less than three offshore supply companies servicing the "hotel" contract for the four main installations within the Frigg Field. Two Aberdeen based supply companies are involved, Chalk Drill Catering and the U.K. arm of Norway's Stravanger Catering, Scot Catering and Offshore Supplies. But the largest single slice of the Frigg Field supply service cake has been awarded to CD Catering of Norway a company whose antecedents go back as far as 1857.

CD Catering (the CD stands for Christiana Dampkgokken which means steamkitchen in Norwegian) was absorbed into the Norwegian Farmers' Meat Marketing Organisation in 1963. With its vanguard of ten restaurants in and around the Oslo area, the company has long associations with the catering trade, and was one of the first catering group's to move into the offshore supply business.

Two of the Frigg Field's operational installations will be supplied by CD Catering, which will mean that the company will be servicing just over half of the 340 workers on operation duty. Its contract extends from supplying food and drink to replenishing bed linen, keeping the rig shop topped up and being responsible for cleaning and supplying the daily dose of new film shows. The company will be staffed by between 35 and 40 offshore personnel working from a pool of around 100 engaged in an eight-day shift system.

Priorities

The company is at pains to point out that one of its priorities in worker relationships it to de-mystify the North Sea. "We need to create an image for the rig worker. He needs to learn to think of himself as just another employee doing a useful job. He has a commuter problem but the rest we think we can overcome."

Part of the trick of normalising life offshore for CD Catering has been to make life on its installations slightly less utilitarian than might be the average for offshore living in the North Sea. The main Frigg Field platform has a bar (though it is still non-alcoholic) something that looks very like a dance-floor and until recently could boast a garden come greenhouse. But perhaps the greatest single influence that CD Catering's offshore technique has so far brought to bear is through the introduction of the female element.

Success ultimately depends on the men on the rig.

Among the 35 to 40 catering staff and cleaners employed on its two installations at any one time, possibly as many as 15 can be women. The breakthrough for CD Catering came last autumn when a pilot scheme introducing women to rig life was deemed a success by everyone involved. The process of stabilising and lending a homely atmosphere to offshore installations is likely to be extended considerably according to the management team behind CD Catering.

The company's main duties centre on the kitchen where four meals a day are prepared starting with breakfast, working through lunch and dinner and extending to what CD Catering describes as the midnight meal. In between, its staff are on hand to supply coffee and biscuits as well as man the shop (newspapers, cigarettes, paper-backs, toiletries) and the library.

Just what an overall supply contract is worth to a catering company no one is saying. But CD Catering were able to produce turnover figures where projections for a full 12 months of normal operational running—once the additional workforce currently adding the finishing touches to the installations has been disbanded—indicate a turnover of Kr.12m., or £1¼m.

For CD Catering this works out at something like £13.50 per man per day—for the equivalent of four meals with dinner alone extending to a choice of four hot dishes plus a cold buffet, cinema shows, full accommodation and free snacks.

These statistics underline one of the major economic advantages of offshore catering, namely a fixed, captive audience. Catering companies are responsible for purchasing supplies which to a certain extent can be made through the volume buying muscle of what in many circumstances are major catering-orientated parent companies. Thereafter distribution is undertaken by the company responsible for rig operation, leaving the supply group to pick up the thread once supplies are stored "onboard."

On average, rigs take up fresh supplies on a weekly basis—with enough spare capacity in storage in case bad weather causes the supply boats to hold off—and this fixed pattern of events allows a catering company to project its fixed costs forward to a considerable and profitable extent.

Offshore servicing is, however, not all plain sailing. Storage at sea can often be inadequate. On a rig space is at a premium and often the number of working personnel involved will extend beyond the numbers envisaged at an installation's design stage. North Sea technology has had an uncomfortable habit of running ahead of itself at a very rapid rate.

The upshot is that less than perfect storage conditions can pose all sorts of problems for a catering company, especially when the weather turns sour as is so often the case in an area like the Frigg Field which straddles the Norwegian and U.K. sectors of the North Sea a full 225 miles off the Scottish mainland.

The cramped working conditions found on offshore installations in the Frigg Field are a far cry from those prevailing at its onshore terminals, notably the St. Fergus terminal some 40 miles north of Aberdeen. One of the largest gas treatment plants in the world, St. Fergus is the reception point for the two Frigg Field gas pipelines and the point where the North Sea product is delivered to British Gas.

The terminal is spread over something like 100 acres and has been designed so that it will be able to process up to 40 per cent. of Britain's gas requirements. The plant is spacious, airy and remarkably free of people—in stark contrast to the cramped and overcrowded atmosphere prevailing on an offshore rig. So much so in fact that the catering arrangements at the British Gas end of the terminal centres on one lady.

Jeffrey Brown

High emphasis on safety

ONE OF the unique features of the Frigg Field is that it is theoretically possible to operate the six-platform field system from one platform, the quarters platform (QP).

This platform is the nerve centre of Frigg. In addition to housing the field personnel, it contains the central operating and control room for the whole field, telecommunications with Norway and Scotland, communications with vessels and other fields, and the control gear for the production platforms.

Normally QP receives electronic power and fuel from the first treatment platform (TP1). But it has emergency generators and fuel systems to permit it to be completely self-sustained for extended periods and facilities for shutting-down any of the other platforms should the need arise.

So the field could run for some time with no men on the other platforms. In practice, however, it is unlikely to do so. Drilling crews live and sleep on the drilling patforms and even when drilling of the field's 48 wells is complete a handful of residential staff will remain. But there are no residential staff on the treatment platforms, which can be visited from QP by bridges.

A predominant reason for designing the installation in this way was the need for safety. A representative for Elf Aquitaine, the field operator, describes the Frigg reservoir as "one big bottle full of gas" and points out that gas, because of its volatile nature, is more dangerous than oil.

There is another safety aspect to the design of the installations, Frigg output will build up until it is producing around 30 per cent. of Britain's gas needs. It is regarded as highly risky to do this from one platform. Facilities for production and treatment are duplicated to provide alternatives in the event of a platform shutdown.

Drilling and production will take place on the same platform at the same time, however, a practice not normally regarded as compatible with the highest safety standards. But Elf Aquitaine's engineers are adamant that Frigg's system is up to these standards because of the timing of the operations.

The wells on each platform are divided into two clusters, of 12 each, with a fire wall in between. Before any well perforates the reservoir all 24 are drilled vertically to a depth of 500 metres to prevent a producing well being penetrated by one which is in the course of being drilled.

Hazard

Production and drilling will take place simultaneously for two years. But during that time there will be no need for a major workover on a producing well — the operation that presents the main safety hazard. Maintenance work on the wells will be confined to minor wireline operations only.

Although the control room on QP contains advanced and elaborate monitoring and control systems, they will duplicate visual inspection, not replace it. Maintenance men will visit the platforms every day to carry out a thorough and continuous inspection programme.

Elf Aquitaine men regard the inspection and maintenance of the topside installations as routine, pointing out that they are not dissimilar to those which have been long in use elsewhere, onshore and off. But under the water the difference between North Sea structures and others is more significant. They are larger and designed to withstand a far more hostile environment. The concrete structures are fundamentally different.

So the operating engineers have had to develop new programmes to care for the underwater parts of the platforms and emphasise the need for scrupulous thoroughness in doing so.

The vessels on the field include two supply ships, *Rig Chief* and *West Osprey*, each capable of delivering 10,000 gallons of water a minute. One of these vessels must be on standby at all times. In addition, the operator has recently taken delivery of the *Northern Installer*, a multi-purpose monohull vessel, dynamically positioned, with a total water-spraying capacity of 40,000 gallons a minute. It has a 300-ton crane, invaluable if a hyperbaric repair has to be undertaken, and saturation diving facilities.

When the *Northern Installer* goes into dry dock, as some day it must, Frigg can, in emergency, call on vessels from nearby fields as a member of the "orange sector" club.

A point on inspection and maintenance which Elf Aquitaine engineers emphasise is the need to minimise the use of divers. They regard saturation diving as expensive and, because of its physiological effects on divers, unlikely to be 100 per cent. reliable.

Scouring

All saturation workers are watched by TV at all times and it is the company's policy to reduce diving operations wherever possible, especially on visual inspection work, and eventually to use remote-controlled vehicles (RCVs) for all underwater inspection. At present RCVs are used to check around the platform bases for scouring, particularly the concrete structures, and tests have been made in a Norwegian fjord of the use of similar vehicles for cathodic protection measurement. The test results have received the approval of the Norwegian authorities and RCVs will be used on the field for this purpose starting this year.

Total, as transportation operator for Frigg, feels that the sound design and construction of its manifold platform and pipeline minimise its maintenance problems. On the platform (MCP-01) the four risers from the two pipelines are in the dry, which reduces maintenance and inspection problems substantially.

The pipelines are buried for most of their length. They have a concrete coating with a steel frame inside it to give weight and protection should any section become uncovered. Zinc anodes every 170 metres are expected to provide protection against corrosion for at least 20 years.

The pipes will be inspected every year from a surface vessel using acoustic side-scan sonar and sub-bottom profiler methods. If this reveals any defects a more detailed inspection will follow, using a submersible.

Using the manifold platform as a pigging station, caliper pigs are sent down the line to check internal measurements and Total is studying the use of several different systems of internal electronic inspection—the so-called "intelligent pigs."

Bruce Andrews

International spread of contractors

IN PUTTING together the £2bn. Frigg Field development package, Elf Aquitaine and its partners have drawn on a wide variety of fabricators and equipment suppliers. Yards and factories in France, Norway, Sweden and Scotland are among those that have contributed to the project, the largest and most challenging gasfield development so far undertaken in the North Sea.

Equipment costs have been a major factor in the Frigg budget. Wood Mackenzie and Company, the Edinburgh stockbrokers who monitor North Sea trends, estimate that capital spending on the equipment installed in the platforms amounted to some $530m., compared with just $445m. on the platforms themselves.

At the peak of the hook-up period, the contractors had some 1,800 men working on the field and it was necessary to charter semi-submersible drilling rigs as temporary accommodation platforms.

This was in spite of efforts to carry out the maximum amount of work onshore or in suitable sheltered locations like the Norwegian fjords.

The separate flare stack platform, for example, was virtually complete when it arrived at its location. It is based on a design devised jointly by Elf Aquitaine and Compagnie Francaise d'Entreprises Metalliques (CFEM) and follows tests on a prototype in the Bay of Biscay between 1968 and 1971.

Parts for the base and body of the Frigg structure were manufactured by CFEM at Rouen and Dunkirk before being transported separately for assembly in Stavanger fjord. The completed structure was later floated vertically to its offshore location for installation.

The flare stack, which is positioned at a safe distance of at least 500 yards from other platforms, was used to burn surplus gas during the period that plant was being commissioned. During production it is on standby to allow rapid relief of pressure in emergencies.

A host of other European companies were also called in to construct the various deck supports and modules placed on the drilling, treatment and accommodation platforms at the field.

Support

Union Industrielle d'Enterprises, whose yard at Cherbourg constructed two of the platforms, also manufactured the 800-tonne support frame and prefabricated modules containing some 2,500 tonnes of drilling and processing equipment for Drilling Platform 2. Drilling equipment supply and installation was subcontracted to Forex, while Lummus France and Comsip Enterprise designed the system for removing sand, drying and extracting the condensates.

Lummus and Comsip together designed a similar system for the Concrete Drilling Platform 1 where the drilling modules were the responsibility of the Italian group Saipem.

A French firm, Constructions Metalliques de Provence, undertook the construction at its Dunkirk yard of the 2,000-tonne steel deck which has been installed on the concrete treatment platform at the field, while the 6,000 tonnes of equipment are in modules fabricated by Mercantile Marine Engineering of Antwerp in Belgium.

The accommodation and service modules which are stacked in three levels on the quarters platform, were constructed by Chantiers de la Garonne at Bordeaux.

Most of the Norwegian contribution to the offshore engineering work is concentrated on the combined treatment and compression platform which is a Condeep design constructed by the Norwegian Contractors partnership at Andalsnes in Norway.

It is fitted with a 3,500-tonne steel deck which was manufactured at Stord, also in Norway, by the Aker shipbuilding group while the service facilities on the platform were provided by the French-Norwegian partnership SPIE-Vigor.

Total Oil Marine, another partner in the Frigg consortium, are responsible for the gas once it has been treated on the platforms. They too called on international expertise in constructing the twin undersea pipelines which carry the supplies to the terminal at St. Fergus in North-East Scotland.

The main Swedish contribution to the project was the building of the intermediate manifold compression platform which can control and adjust the gas flow from its location about half way along the route between the field and the shore. The structure of the Howard Doris design similar to Concrete Drilling Platform 1 at the field, was built by Skanska Cementgjuteriet at Stromstad in Sweden.

The 32-inch steel pipelines, which represented the largest single item in the development budget, were bought from Vallourec in France and Mitsui, Mitsubishi and Sumitomo in Japan. Coating with a bituminous felt wrap to prevent corrosion was carried out by MK Shand at Invergordon in Scotland.

Laying of the lines was accomplished over three summer seasons using barges provided by Brown and Root, Oceanic Contractors and ETPM. Underwater support for the hyperbaric welding of sections and other operations was provided by Taylor Diving and Comex.

In addition to the barges directly involved in the operation of laying and burying the lines, a diving support vessel and two mini-submarines and their support ships were required during the work. Altogether some 60 supply boats, tugs and pipe transporters were also needed before the lines were completed last summer.

By a Correspondent

هكذامت الأجل

May 9 1978

SOCIETY TO-DAY

Ray of moonlight on the 'hidden' economy

IT IS just possible that Britain is surviving the growth of the State by ignoring it. That is the Italian way, and it is not necessarily a bad one. On paper, Italy is unworkable. Its economic statistics in all save its best years suggest that it is on the verge of collapse. Yet the Italians seem to provide their *own private network of arrangements*, independent of State subsidies or taxation. If only someone could catch them at it and compile the relevant national tables their real economy would no doubt look a great deal more vigorous than the one we see on paper.

The idea that the same thing might be happening right here in Britain is gradually beginning to dawn on a number of economists. To the ordinary eye, it certainly looks as if many people are doing rather better than our gloomy economic tabulations indicate; to the ordinary ear the amount of barter, or under-the-counter, or VAT-evading business that is taking place seems to have grown in recent years. The problem is that, by definition, there is no way of proving it.

Statistical

Even so, try this for size. On page 17 of the National Income and Expenditure 1966-1976 compilation published last autumn by the Central Statistical Office (HMSO £3.95) there is a table entitled "Index numbers of gross domestic product and gross national disposable income." These numbers count our annual production and consumption in eight different ways, and it is interesting to compare the first two of them.

The very first bases *its index* on expenditure. The second is based on income. In 1955 the difference between these two index numbers was half a point, which one could take as reasonable evidence that all the forms filled in showing how much we spend matched up pretty well with all the answers we then gave about how much we earned.

For the next 18 years, until 1973, the match stayed nearly as good as that. Not until that year did it rise as high as a 1.6 difference, and the average over the entire period was a mere 0.9 discrepancy.

Then, suddenly, *it* rose to 3.1 in 1974. Taking 1970 as equal to 100, the gross domestic product at factor cost in 1974 was 169.8 *if* based on expenditure data and 166.7 if based on income data. Were we becoming more cagey about our earnings?

Not necessarily. This 3.1 difference *might have been a* flash in the pan. After all, it was difficult to get such measurements right in the year immediately following the quintupling of the price of oil. But the following year the *difference was 2.9— still* more than thrice the 18-year average. In 1976, according to figures revised by the Central Statistical Office since the table from which I have been quoting was published, the discrepancy was higher than ever—4.7. Last year it was "down" to 2.6, but this is still subject to *revision. In every recent case* the "spending" index has been that much higher than the "earning" one.

It would be foolish to build anything much on this curious statistical fable. After all, the instability of currencies over the past four years has made the calculation of precise import prices difficult, and much of our spending goes on imports. The rapid rate of inflation over these years also made the match harder to achieve.

Yet the Government statisticians do try to take account of "unofficial income from employment" by adding a bit in, using their best professional judgment. They have control figures — the index based on output which does not seem so wobbly—and they are not blind to what goes on in the world. If this is so, then the larger discrepancies between the expenditure count and the income count over the past four years must mean one of two things. Either the relatively more unstable world has multiplied the number of gremlins in the counting system, or they are not "adding on" *enough* to compensate for the Italian side of our nature.

For the time being we can leave the official figures at that. The Government statisticians are looking at "perks" and "fiddles" as a matter of top priority, and we must hope that they find a useful means of measuring (a) their place in the economy and (b) whether their use really is growing.

Fiddles

Arguments in favour of the proposition that the unrecorded *part of our daily business is* becoming more important can be *found* in "Policing the Hidden Economy — The Significance and Control of Fiddles," which has just been published by the Outer Circle Policy Unit.*

It begins by reminding us that in socialist societies "the rigidity of central planning creates the need for alternative informal arrangements to facilitate production, and the control and rationing of consumer goods creates unofficial markets." One writer has estimated that as much as a fifth of Soviet economic activity can be accounted for in this way.

In Britain, perhaps half our economic activity is controlled or influenced by public officials. Even in the market sector, Government control and regulation for tax, public order, health and other purposes is already extensive," says the *Outer Circle* Policy Unit.

Taxation, it goes on, has become an instrument of economic management in general and incomes policy in particular. "We have therefore at least in embryonic form the conditions which encourage systematic collective fiddling." This pro*cess includes taking second jobs* —"moonlighting"—as well as pilfering from employers, tax avoidance and tax evasion, and the well-known propensity of plumbers, painters, and other small tradesmen to break out in a rash when offered anything but cash for their services. The unit defines it all as "The Hidden Economy," but on reflec*tion it is really pretty visible.*

Yet how much is it worth to the economy? The new pamphlet *looks* at one *item* in the necessary equation and by taking such published evidence as exists, and slicing it all down in favour of a conservative approach, comes out with a current annual £1.3bn. lost on *pilferage from employers, petty* cheating of customers, and police time.

If one had but the means it would be more instructive to calculate the value of cash and barter transactions ("£100 if it's cash, £150 if it's a cheque," or "I'll do it for half a dozen bottles of whisky") to the economy as a whole. The *official* index of output is probably accurate enough in its count of goods, but its count of services is just as likely to be way out. The unit's report suggests that "fiddles" are part of the ordi*nary life of building workers*, the hotel trade, journalism, and other easily definable areas; in most cases it is services rather than goods that are involved.

But even in manufacturing industry, what the unit calls the "fiddle factor" may play a larger part in industrial relations than some managers realise. If a generally accepted level of pilferage, or work-avoidance, has been current in a particular plant *for a number* of years then the managers who have turned a blind eye all along should not be surprised when their bright new productivity scheme is turned down on apparently irrational grounds. *The under-the-table objections* may be perfectly rational.

The lump

It will be seen that once on the trail of this line of thought, various apparently different phenomena may be mixed together—tax avoidance with the "lump"; petty theft with "moonlighting." Since the law is arbitrarily applied (some employers prosecute, some do not) this apparently odd mixture is more sensible than it may seem. And the fundamen*tal point is not so much* "what is legal?" as "is it growing?" and "why?"

The general tenor of the unit's report is that fiddling is something that may be growing and should be stopped. It devotes much space to the private security industry. This is not out of tune with the Government's attitude; which seems to be to react by increasing the penalty for tax avoidance (and making the rules retrospective, *if* Parliament passes that bit of Mr. Healey's recent Budget), while encouraging the Inland *Revenue and VAT officials to* develop their powers and their methods of exercising them.

There is, however, something wrong with this approach. Let us take it that what many people assume to be true really is true—that the British are becoming less honest about tax returns, and more conscious of the advantage of private arrangements for increasing personal incomes.

If this is so then what is of prime importance is not how to control it, but why it has happened. And of course the answer is hardly a mystery. Taxation has become too onerous, even for the worker on or possibly below the national average wage. A succession of incomes policies has made the possibility of escaping from this drear trap even harder. An extra £6, or £4 a week can be a sour joke when much of it is taxed away.

The right analytical stance, therefore, is to find out, first, how much of the supposed growth in the "Hidden Economy" can be quantified and then, second, to delineate the lines behind which Government should retreat in order to ease the burden of State intervention and taxation. If the State were *less of a presence, and less* costly, the need to find means of escaping its clutches would be that much less felt. The alternative is that Britain may become so much more like Italy that we will begin to suffer some of the Italians' chaos, even while everyone is making the best life possible out of a series *of deals* with *friends* and acquaintances.

Joe Rogaly

* *Obtainable from 4 Cambridge Terrace, Regents Park, London, NW1 4JL.*

Letters to the Editor

Railway investment

From Mr. Ralf Bonwit.

Sir,—By setting out alternatives for railway investment during the remaining decades of the century, Mr. Peter Parker may have ensured that a consis*tent policy will be followed by* whatever Government is in power. He may also have persuaded those responsible for *overall transport planning* to avoid a repetition of the mistakes of the 1955-65 period when a comprehensive modernisation and electrification programme was abandoned midway, diesel superseded electric traction projects on all but two trunk lines, the creation of a modern wagon fleet was postponed, and an unfinished modernisation pro*gramme was disrupted by* the Beeching cuts—carried out after an appraisal of railway economies which should have preceded the modernisation programme in the first place.

The need to replace soon many of the existing diesel and electric multiple units will provide an opportunity for assessing the relative primary and maintenance costs of these two forms of traction and their relative operational and traffic-creating benefits against the relatively *high initial costs of* overhead and feeder line installation. The French railways have found that the extra cost of trunk line *electrification is usually* recouped within 5-8 years through operational savings. To shrink from further electrification on the scale proposed by the Railways Board—which would not raise the proportion of our electrically-hauled traffic above the Continental average—would prove a false economy in the not very long run—quite apart from the dangers arising from an overall transport provision based on oil. It would also be desirable to concentrate the necessary work on the 1980-90 period, when our supplies of manpower and raw materials such as steel will be abundant, using railway electrification as an *anti-cyclical* depression corrective; this would be better than to be caught out by a worldwide oil shortage at *a time when our economy—let* us fervently hope—will be fully stretched.

It is only too easy to see the high initial outlay on a major transport project as a barrier to its implementation — as the Secretary of State for Transport did when he ruled out a revival of the Channel Tunnel project on such grounds. In fact, a *refusal to contemplate* the relevant expenditure will result in no real savings over the next 20-30 years, since the aggregate cost of the replacement of ferry ships, the expansion of Channel ports and the creation of adequate access roads will equal the cost of the Tunnel. This was the conclusion of the Cairncross Report. And Cairncross did not include the cost of a *third* London airport plus feeder roads and railways which will have to be built, if the growth in short-distance air traffic cannot be mitigated by the creation of a direct rail link to the Continent. *Here again, discounted* cash-flow considerations should not be allowed to overrule the needs of predictable traffic flows.

Ralf Bonwit.
Sorby, Kiln Lane,
Binfield Heath,
Henley-on-Thames.

The Australian economy

From Mr. K. P. Baxter

Sir,—*I read with interest your* report (April 28) about the Organisation for Economic Co-operation and Development recommendations for Australia.

It is important to recognise that the OECD report about Australia probably provides an inaccurate picture about the real state of affairs because the OECD officials visiting the country are not given unfettered acces to all *sections of the Australian* economy.

The views expressed in the report are basically those of the Australian Treasury which appears to believe that inflation must be reduced further without regard to the serious problems of unemployment and sluggish domestic demand.

The present Government has *succeeded in reducing* inflation. It has done so mainly due to substantially increased unemployment, increased tariff and non-*tariff barriers and slackening* investment in demand-creating industries. It has been helped by the fact that import prices continue to decline in real terms. It has not been faced with the rapid escalation in oil and other commodity prices which confronted the Labour Government which came to power in 1972.

There have been substantial overseas borrowings to prop up the Australian dollar and the Federal Budget deficit for the 1977-78 financial year will be substantially over the $A2.3bn., for which the Government was aiming.

While there is no desire to *decry* the *basic strengths of the* Australian economy, the Government, no matter what political complexion, should not be afraid of an accurate impartial report on its economic affairs.

It is regrettable to say that the present Australian Government is unprepared to have such an assessment made. It reflects adversely on the OECD that it does not insist that it should have open and unrestricted access to all the sources of information which would enable it to assess the real economic situation in Australia.

K. P. Baxter,
87 Ballarat Street, Fisher ACT, Australia.

Leasing benefits

From Mr. M. P. Gould

Sir,—Mr. T. Ring's comments (May 3) confirmed that I was not alone in having taken the trouble to investigate fully the tax implications of the so-called "tax free gains" that were being bandied about by a number of those com*mentators concerned with* residual leasing of motor vehicles.

While to many it may appear surprising that the Revenue have permitted the continuation of such apparent tax avoidance schemes to go unabated it is clear *that* it is not generally appreciated that in the Revenue's view they already have the legislation to attack most of the schemes *currently in use as and when* the profits appear. Nevertheless, in view of the often misleading advertising and articles that are found in the Press and elsewhere. I feel that it would have been useful if the recent Budget could have *tightened up on some of* the areas where uncertainty exists.

I have no doubt that other professional advisers who like myself are involved with the *leasing* industry have examined the tax implications in depth and also taken due cognisance of the Board of Inland Revenue's views on the interpretation *of* existing legislation. It must be recognised, *however, that* the continuing and blatantly misleading statements put out by a small number of leasing companies does jeopardise the *legitimate* benefits *to be* gained from leasing by a large cross section of industry. I can only hope that the Equipment Leasing Association together with the Vehicle Rental and Leasing Association will attempt to *emphasise* the dangers to its members. Indeed those delinquent companies still anxious to sell their leasing contracts on the tax-free benefit motivation might perhaps wish to spend a little time studying the possible effects on their own tax position. The *Revenue may wish to take them* to task utilising the provisions of Section 44(6) Finance Act, 1971. This section is concerned with the *disposal value to be taken into* account where the sale takes place at less than market value and the purchaser is not entitled to capital allowances. They may further wish to consider the possibility that certain more adventurous agreements may result in the vehicles being treated as stock-in-trade thereby prohibiting entitlement to a first year allowance.

M. P. Gould.
Johnston House,
8, Johnston Road,
Woodford Green, Essex.

Bureaux de change

From the Marketing Manager, Chequepoint Services.

Sir,—In our recent letter to *your newspaper we challenged* Mr. Rost, MP, to produce his evidence supporting his allegations that some bureaux de *change charge 20* per cent. He has yet to do so.

As one of the pioneers of the bureaux de change business, we at Chequepoint feel a certain obligation to defend the business against unbalanced or spurious criticism.

Until recently bureaux de change facilities were a peripheral activity operated by the clearing banks in a somewhat cavalier fashion. To-day if customers now have a choice of service (which in our case extends to 24 hours a day) we would like to think that Chequepoint was instrumental in its creation.

The maintenance of this service is not without problems and not unnaturally West End rents and 24-hour staffing are costly. Nevertheless the average London bureau de change operates on what must be some of the smallest margins in the retail sector and Mr. Rost's *allegations* of 20 per cent. are doubtful. Of course, fluctuations occur and these are not confined to the *bureau de change business.*

Unfortunately muddled thinking can occur within the business as Mr. Stibbe's recent letter to yourselves clearly shows. Mr. Stibbe proclaims his ability to "thrive" charging a flat 25p for cashing cheques and criticises our charge of 4p in the £ as "excessive." In *fact* Mr. Stibbe, operating in Dover, is more *expensive on any transaction up* to £6.25 than Chequepoint's 24-hour service in Leicester Square. As these transactions are a substantial proportion of our business, Mr. Stibbe must do very well using his rate of 25p on his Dover overheads.

M. A. Jorden.
47 Old Brompton Road, SW7.

Inflation accounting

From Mr. D. R. Myddelton, Professor of Finance and Accounting, Cranfield School of Management

Sir,—It is all very well for Mr. *M. Speer (May 6)* to talk about the need for accountants to "develop a greater tolerance for imprecision." But I find it hard *to tolerate the imprecision in the* first sentence of his letter where he attributes to me views which are the exact opposite of those *I hold.*

My letter (April 18) said: "Adjustments based on a general index of constant purchasing power are both necessary and sufficient to allow fully for inflation." Mr. Speer says he wishes I would stop repeating "that constant purchasing power has nothing whatever to do with inflation."

Perhaps I have failed to make my meaning clear. It is current cost accounting which I assert has nothing whatever to do with *inflation. The fact is that inflation* is a monetary phenomenon. Any purported system of adjusting accounts for inflation that follows the *Sandilands/Gertrude* Stein approach ("a pound is a pound is a pound") fails to recognise this elementary point, and hence is utterly unsatisfactory.

In the past ten years the purchashing power of the pound has fallen by about two-thirds. Hence the urgent need for inflation accounting. If there were no inflation, there would be no need for inflation accounting; but the arguments in favour of current cost accounting (as opposed to *historic cost accounting) would* be unaffected.

D. R. Myddelton,
Cranfield,
Bedford.

Responsibility of NEB

From Mr. David Stebbings.

Sir,—In your leader (May 5) you say it does not necessarily follow that an agency such as the NEB should become a giant holding company with a Government responsibility for supervising such investments as Leyland and Rolls-Royce. Is it not so that business is too important to be left to the politicians? I would suggest that if our international industries had been insulated from political interference by a board largely of businessmen (and I include trade union leaders) such as the present NEB, we would have fared very much better. Sir Leslie Murphy's use of the expression "bridge" seems very apt to describe what is needed to sift and translate the pressures of political expediency into the longer term needs of business confidence.

David Stebbings
1, Wapping Pierhead,
Wapping High Street, E.1.

Causes of unemployment

From The President, Birkbeck College Students' Union.

Sir,—David Eversley (April 26) in outlining "the case *for sharing the burden of unemployment*" floats once more the old canard about decreasing unemployment by reducing the working day/week/year. In fact, the average number of hours worked per man in industry has hardly changed since the days of the ten hour day before the First World War. What has changed is the proportion of *hours worked at normal rates* as opposed to hours worked on overtime.

The reasons behind this are fairly obvious. As long as it is to the employers' advantage to work employees for long hours (this is explained by Karl Marx in Volume I of *Capital*) and as long as workers are under financial pressure, as they will continue to be in a period of recession and inflation, it is unlikely that the two will agree on work-sharing with the unemployed.

The real causes of unemployment are in fact business cycles and economic crises. Work-*sharing is just another way of* avoiding dealing with the fundamental economic and social problems in our society.

J. Toporowski.
Birkbeck College,
University of London,
Malet Street, W.C.1.

To-day's Events

GENERAL

EEC Agriculture Ministers end two-day meeting, Brussels.

European Central Bankers end two-day monthly meeting, Basle.

European Parliament in session, Strasbourg.

CBI Industrial Trends Survey (April).

Mr. Eric Varley, Industry Secre*tary, holds talks with president of* Boeing on U.S. aircraft industry's offer of collaborative programmes to U.K. aerospace industry, prior *to similar meetings with* presidents of McDonnell Douglas and Lockheed.

The Queen inaugurates St. Fergus gas terminal.

Financial Times two-day 1978 Euromarkets Conference ends, Royal Lancaster Hotel, W2.

Industrial Society conference on Profit Sharing—Employee Share Ownership, at Quaglino's, S.W.1. Speakers include Mr. Robert Sheldon, Financial Secretary to the Treasury, and Mr. Nicholas Goodison, *Stock Exchange* chairman.

European Computing Congress and Exhibition opens, Wembley *Conference Centre (until May 12).*

International Diecasting Exhibition opens, Olympia (until May 12).

PARLIAMENTARY BUSINESS

House of Commons: Wales Bill, third reading.

House of Lords: Scotland Bill, committee. Tuvalu Bill, second reading.

Select Committee: Scottish Grand Committee considers Community Service by Offenders (Scotland) Bill (10.30 a.m., Room 14).

OFFICIAL STATISTICS

U.K. banks' eligible liabilities, reserve assets, reserve ratios and special deposits; and London clearing banks' monthly statement (mid-April). Retail sales (March, final). Hire-purchase and other instalment credit business (March).

COMPANY RESULTS

Averys (full year). Bank of Ireland (full year). Richard Costain (full year). Lesney Products and Co. (full year). Mallinson-Denny (full year). Smith and Nephew Associated Companies (first quarter figures).

COMPANY MEETINGS

American Trust, Edinburgh, 12.15. British Aluminium, 7, Baker Street, W., 10.30. Federated Land and Building, Winchester House, E.C., 12. Law Land, Howard Hotel, W.C., 12.15. Lyon and Lyon, Knottingley, West Yorks., 12.15. Trade Indemnity, 12-34, Great Eastern Street, E.C., 12. United Biscuits, Edinburgh, 12. Zenith Carburetter, Stanmore, Middlesex, 12.

COMPANY NEWS + COMMENT

More O'Ferrall jumps £0.57m. to near £1m.

AFTER RECOVERING from £65,000 to £407,000 in the first half, pre-tax profit of More O'Ferrall, outdoor advertising group, jumped from £370,000 to £941,000 in 1977.

Directors says that as forecast the company enjoyed the benefit of the confidence of its customers in its supersite medium, both in the U.K. and on the continent.

The resulting improvement in demand has continued in the current year and a further improvement in trade and profitability is expected. The Board has accelerated its policy of development and investment in the overseas companies and expects to see a growing return from markets in France and Belgium, with a substantial improvement in group results for 1978.

The result is subject to tax of £502,000 (£216,000), and earnings per share are shown at 10.64p against 3.7p previously. The dividend total is up from 3.0438p to 3.3997p with a final of 2.3997p.

● comment

Along with commercial television and newspapers, the various outdoor poster companies have been benefiting from the upturn in advertising. London and Provincial has already announced doubled profits on sales one-fifth higher and now More O'Ferrall, which holds roughly a-tenth of the outdoor poster market in the U.K., reports profits 154 per cent. ahead on sales up by more than a third. The home market (around three-quarters of group sales) has provided the bulk of the profits rise, thanks to Supersites, the new marketing concept which offers pre-selected networks in urban areas, and Adshel (shelter advertising at bus stops), which helped double the associate's profits contribution to £130,000. In addition, the French company (also operating in Belgium) is beginning to make profits from a joint arrangement with France Rail Publicite to develop Supersites on railway stations throughout France. The outlook remains healthy with plenty of growth potential in all markets. At 110p (up 6p), the shares are on a p/e of 10.1 while the yield is 4.8 per cent. This compares with 7.4 and 7.4 per cent, respectively for London and Provincial.

SCOTT. MORTGAGE

Scottish Mortgage and Trust Company has borrowed a further $8m. to finance holdings of U.S. equities and $8m. of premium currency has been sold. Due to an agency error the figure in yesterday's report was given as $9m.

INDEX TO COMPANY HIGHLIGHTS

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Brixton Estate	28	4	Myson Group	29	1
Casket (S.)	28	2	More O'Ferrall	28	1
Commercial Union	29	3	Pearce (C. H.)	28	3
Farmer (S. W.)	28	4	Sabah Timber	29	2
Frizzell	29	1	Sena Sugar	29	1
Goode Durrant	28	6	Usher-Walker	30	3
Grovebell	28	7	Weeks Associates	28	5
Hambro Life	30	1	Wilkins & Mitchell	29	5
Magnolia Group	28	2	Wood & Sons	30	2

Midway advance at S. Casket

ON TURNOVER ahead from £7.38m. to £7.79m. taxable profit of S. Casket (Holdings), clothing manufacturer, distributor and retailer, rose from £436,075 to £456,320 in the December 31, 1977, half year.

And directors say that in the light of reasonably buoyant current trading conditions they are hopeful of a good result for the full year. Profit last totalled £0.79m.

The half-year result is after depreciation, etc., of £610,248 (£586,301) and subject to tax of £235,000 (£225,000).

The interim dividend is up from 0.75p to 0.8p net per 10p share, and a total—legislation permitting—of not less than 10 per cent. more than last year's 1.95p is forecast for the year.

Magnolia sees further profit rise

First-quarter 1978 sales at Magnolia Group (Mouldings) are ahead of the same period in 1977 and Mr. R. J. Wallrock, chairman, expects to see a satisfactory increase in both turnover and profits for the whole year.

The integration of the Irish company into the group is now nearly complete. Additional management has been introduced and the full benefit of this and other measures taken, will start to have an effect towards the end of this year.

Group pre-tax profits increased from £459,000 to £607,632 in 1977. The chairman says that despite continuing competition domestic sales increased by 24 per cent. To accommodate the increased volume now being handled the group is constructing a new warehouse in Bradford which is expected to be in operation towards the end of the year and larger premises are also being sought in Scotland.

Exports sales at £1.05m. showed an advance of 40 per cent. Although the economic situation in a number of overseas markets continues to be uncertain the group is continually probing new markets. Following successful sales efforts in Europe the group is now seeking to establish warehousing and distribution facilities on the Continent.

Meeting, Rochford, Essex, May 25 at noon.

Pearce & Sons ahead at halftime

FROM TURNOVER of £4.9m., against £3.18m., taxable profit of C. H. Pearce and Sons, builder and contractor, lifted from £294,707 to £326,307 in the November 30, 1977, half year.

And directors are fairly confident that the full year result will exceed the previous year's record £662,459.

The half year result is subject to tax of £169,760 compared with £153,860.

The interim dividend is up from 1.16p to 1.295p net per 25p share. A 2.220p final was paid last time.

Mr. G. T. Pearce, the chairman, says the percentage of profit on sales is less this half-year than in the similar period last year.

This reflects the depressed market conditions in the construction industry. However, there are now signs of a slight improvement in prevailing conditions, he says.

Brixton Estate's surplus

A PROFESSIONAL revaluation of Brixton Estate's investment properties at December 31, 1977 show a £12.7m. surplus over 1976's £84m. book value, boosting net assets per share to 133p. That valuation does not take account of development properties still held at cost less interest charges. News of the revaluation comes with Brixton's figures for 1977, showing a 17 per cent. increase in gross profits to £2.28m., just £147,000 of which is accounted for by dealing income. The shares rose 4p to 96p, on the results.

This relatively modest increase in profits is clipped to a net £1.4m. after a £1.75m. transfer from capital reserves to cover net after tax interest on development properties. But Brixton's current revenue is of far less interest than the reversionary flow due to come by the turn of the decade as rent reviews on its largely freehold portfolio start to fall due.

Even before the bunching of reversions in 1979 and 1980, Brixton's revenue account should begin to show the effects of recent lettings overseas, where its Australian, German and Belgian schemes are now filling fast. Lettings towards the end of 1977 are expected to clip next year's development property outgoings by at least £1m.

At home, Brixton has so far drawn just £1m. of Royal Insurance's £5m., 15 year loan facility, which is bolstered by a further £6m. of 5 year money from three U.S. banks, Morgan Guaranty, Continental Illinois and Chase Manhattan. The main home for this money will be the completion of the second half of the group's £20m., 1.8m. sq ft industrial estate at Dunstable, where a total of 670,000 sq. ft. of warehouse and factory space has been let to date, excluding a 150,000 sq. ft. preletting to W. H. Smith and Son.

The group is effectively raising its dividend from 1.7095p to 1.9093p net, with a final of 0.6617p.

	1977	1976
	£000	£000
Net rental income	3,413	4,325
Investment profit	2,137	1,574
Dealing profit	147	81
Gross profit	2,284	1,955
Interest and outgoings*	141	163
Interest on develpmt. prop.	2,103	2,341
Taxation	411	282
Making	2,040	2,093
From capital reserve	1,745	2,242
Net profit	1,299	1,109
Dividends	632	611
Retained	667	498

* On properties where development has been suspended.

High level of activity at S. W. Farmer

S.W. Farmer Group has moved into 1978 with a high level of activity, and there are strong indications that the goup will be extremely busy throughout the year, Mr. B. D. Farmer, the chairman says in his annual statement.

But he points out that the future for the steel fabrication and metal finishing group is dependent upon an upturn in the U.K. economy with inflation under control and rising capital expenditure.

In 1977, when Farmer gained listing on the Stock Exchange, taxable profit jumped £190,000 to £891,000. Mr. Farmer says the group received the benefit of its new factory at Leeds in the year.

New equipment is currently being installed there and fabrication facilities are being extended. Further modernisation is also under way at its Darlington and London factories.

Farmer International Inc. was formed in the year to develop overseas construction. A Bahrain branch was established and has been engaged in steel erection since May last.

Farmer is putting considerable efforts into marketing and overseas sales so that it is ready to seize any opportunity when that may be available.

At balance date fixed assets totalled £1.72m. (£1.43m.), current assets £5.52m. (£4.2m.) including bank and cash balances of £1.36m. (£0.98m.), and current liabilities were up from £2.33m. to £3.43m. with bank overdrafts ahead from £0.27m. to £0.62m.

Meeting, Bromley, Kent, June 1, at 11.30 a.m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aberdeen Inv.	1.45	June 27	1.25	2.35	2.05
Brixton Estates	0.66	—	0.59*	1.91	1.71*
S. Casket ...int.	0.8	June 26	0.75	—	1.95
More O'Ferrall	2.4	June 30	2.29	3.4	3.04
C. H. Pearce ...int.	1.3	June 4	1.16	—	3.39
Sabah Timber	1.13	July 4	1.01	1.63	1.48
Tysons (Contractors)	2.11	July 1	2.11	2.11	2.11
Usher-Walker	2.11	July 3	1.9	3.27	2.93

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Marchwiel forming new holding company

Marchwiel Holdings, the McAlpine family's construction company, is reorganising its capital structure in a way which will give it dividend freedom for two years.

According to the group the move is designed to create a better organisational framework; to increase the permanent capital base to more fairly reflect net assets and capital employed; and to issue Preference shares which will enable shareholders to realise capital without affecting their present equity of the Marchwiel group.

A new holding company is to be created, Marchwiel Ltd., which is to acquire all the Ordinary and Preference capital of Holdings. The deal is being carried through under a scheme of arrangement under section 206 of the Companies Act 1948: as a result the newly constructed company will enjoy freedom from dividend controls for two financial years following its new listing. The shares rose 17p to 306p after the announcement.

Shareholders are being offered eight Ordinary shares of 25p in the revamped Marchwiel and one 9 per cent. Preference £1 share for every four Ordinary shares in Holdings.

Preference holders are being offered three 9 per cent. cumulative preference £1 shares in the new Marchwiel for every 4.9 per cent. Preference £1 share.

The dividend to be paid for the current year will be not less than 5p net, which is equivalent to 10p net per existing Holdings Ordinary share. In the last financial year under the existing Holdings' share structure a dividend of 3.4p net was paid.

The Marchwiel Board said that the new holding company will create a simple and effective management structure which will be designed to deal with the increased and more complex activities of the group.

A series of internal changes will take place to create a number of divisional holding companies each of which will co-ordinate part of the group's activities. In the U.K. there will be holding companies for building and civil engineering, specialist contracting, timber, plant, motors, extraction and housing and development. Overseas there will be two holding companies based on a geographical division.

On the trading front Marchwiel reports that overseas competition remains keen making it difficult to obtain the volume of work the directors would like at acceptable prices. Overall, the directors say that until the final outcome of a number of contracts is known it is difficult to make a forecast for full year profits.

See Lex

Weeks suffering from dull home market

IN VIEW of depressed home prospects and a slowdown in export growth Weeks Associates is not enjoying the same buoyant start in 1978-79 as it did in the previous year. However the group remains optimistic for the future.

Mr. W. A. Airey, chairman, says that the group's strategy to achieve growth remains unchanged. The priority continues to be given to extending product ranges, increasing exports, and to the acquisition of suitable companies.

Given these, however, the chairman says that the group needs an expanding home market to continue the growth pattern: short-term prospects at home are not encouraging and currently the group is using little more than 60 per cent. of total manufacturing capacity available.

The chairman says that demand for agricultural equipment, which has held up well over the past four years, has turned down and remains turgid. Export growth has also become increasingly difficult to maintain.

With overseas business becoming increasingly important, a change in banking arrangements was thought desirable and new facilities agreed with Barclays Bank. At the same time a medium-term loan of £300,000 was negotiated which has not so far been required but continues to be available.

The rights issue and the record profits for 1977-78 on which no mainstream corporation tax is payable, have transformed the liquidity position and the group now has a strong financial base on which to build and one adequate to meet plans for the immediate future.

In the year ended January 31, group pre-tax profits increased from £488,737 to £698,186. The CCA adjusted profit is shown at £315,479, after adjustments for depreciation £71,871, cost of sales £173,700 and gearing £64,864.

MONKS TRUST

Monks Investment Trust has borrowed a further $3½m. on a floating rate basis to finance holdings of U.S. equities previously held through premium currency. An equivalent amount of premium currency has been sold and the proceeds placed on deposit in the U.K.

Goode Durrant poised for recovery

Reporting "materially improved" trading prospects for the previously loss-making Rawlings Bros. building and property development subsidiary, Mr. Lionel Robinson, chairman of Goode Durrant and Murray Group expresses confidence for the shipping and confirming group's future.

Rawlings' losses have been stemmed and the overseas businesses are doing well.

Mr. Robinson also discloses that the detailed examination of the Rawlings' situation—started when the shares were suspended last September—is almost complete and detailed proposals for that company's financial re-structuring will be sent out shortly.

Revealing sharply reduced net group borrowings—down from £16m. at year-end to less than £5m.—Mr. Robinson states that improved liquidity had resulted from the disposal of both the hire purchase and invoice discounting divisions.

This also enabled the group to streamline its London operations, to reduce overheads and to concentrate on traditional shipping and confirming activities. At the year end shareholder's funds stood at £3.5m.

The group's overseas activities made a profit of £1m. last year and continue to do well

Substantial advances from Goode Durrant to Rawlings are mentioned by Mr. S. D. Waterfall, Rawlings' chairman in his statement. He details the treatment of land valuation—which led to a £3.69m. exceptional charge against profits leading to the £4.64m. group pre-tax loss—for 1977, compared with a profit of £0.46m.

The auditors have qualified the accounts in respect of the treatment of land valuation.

At the year end Paisley, a company registered in the Cayman Islands, held 60.84 per cent. of the equity.

Winding-up orders

Orders for the compulsory winding up of 77 companies have been made by Mr. Justice Oliver in the High Court. They were:—

Stagmill, W. G. Venn and Sons, G. S. and G. Construction Company, R. D. C. Builders (Bristol), Chellow Dene Estates, Saffron Fashions, Kilburn (Plant and Sales Services), L. M. Life and Capital Services, P. and J. (London) Productions, Taylor Bros. Transport (Lilleshall).

Bungo, Superpubs, Coppermill Properties, Gaston Builders, Graphic Arts, Methods, Measurements and Automation, Ketbridge Investment Company, P. Rhodes Developments, Rhodes Consultants, Spreadworth, Triegana Management Company, T. Tryrer Contractors (Liverpool).

Worrall Rooms (Bristol), Charles Ingram and Co., Unispan Trading Company, Moonraker Restaurants, Revbourne, Roybell Construction, Bartons Building Contractors, Edward Youart and Co., Hickey and Keane, Packaging Tapes, Harpdown, Manor Cosmetics.

Cranston Electric, Gretain Associates, Dundas (Heating and Plumbing Contractors), Swingcarla, Bedminster Knitwear, Singer's Radio, Inter-Rep (U.K.), The Anglo-Saxon Marine Construction Company, A.A.K. and Co.

Kingston Motor Company (Surrey), David Daniels (Sales), Staplefirm (Engineers), Weirgate, Riverbeck Construction Services, Actionpool, Harry Stiller (Holdings), Howells and Withers (Coaches), Marian Works.

Transitalia, Oceancrown, Modern Showcases, John Bryant and Co. (Bristol), Dapek, Herbert A. H. Behrens (U.K.), Brideoak Roofing Company, C. A. Allen and Sons (Southwell), Nestmead.

Poplar West Housing Co-Operative, Cobshire, Bellamy (Heating and Ventilation), Space Utilisation, Kellergrade, Chinwood, Higham Controls, Electrical Services (Queensbury), John O'Neill (Contractors).

Thomas Appleby, Lynwood Shop Equipment, Primerealm, Howie Marketing (London), J. and E. Wynick, Plainpalm, Barbgate, A. and D. Technical Services.

ISSUE NEWS AND COMMENT

Tyne and Wear £10m. stock at 98¾%

Arrangements have been completed for the issue by Tyne and Wear County Council of £10m. 12 per cent. Redeemable Stock 1986 at £98¾ per cent. Lists open on Thursday.

The stock is payable as to £10 per cent. on application with calls of £40 per cent. due on June 20 and the balance of £48¾ per cent. on August 15.

Interest on the stock is payable half yearly with the first payment of £4.0900 per cent. due on November 15.

Brokers to the issue are J. and A. Scrimgeour.

● comment

As usual the success of the Tyne and Wear issue hinges on the movement of the gilt edged market between now and next Thursday when application lists open and close. The previous Greenwich issue (88 per cent. was left with the underwriters) is now standing at a £1 discount and offering a redemption yield of 12.16 per cent., so a yield of 12.24 per cent. on the partly paid Tyne and Wear issue looks pretty much in line with the market. The only roughly comparable gilt-edged security is Treasury 8¼ per cent. 1984-86, currently yielding 10.42 per cent., but this is a lower coupon stock than Tyne and Wear. There is provision for payment in full on or at any time after June 20 and this could be attractive to family trustees, for instance. Provided the gilt-edged market improves over the next few days, there is no reason why this issue should not go well.

Prospectus Page 31

Nimslo placing

Joseph Sebag has completed the private placing of £3m. of Ordinary shares and loan stock in Nimslo Ltd. a new U.K. registered company. Its founders have developed a new holoscopic photographic system.

U.K. institutions have subscribed for £1.5m. Ordinary £ shares and £1.5m. of 14 per cent unsecured loan stock 1983/88 in units of one share and £1 nominal of loan stock at £3 per unit.

The company has been incorporated for the purpose of manufacturing and marketing in Europe the Middle East and Africa a new holoscopic photographic system.

The U.S. company responsible for the research, Dimensional Development Corporation (DDC) is incorporated in the state of Georgia. DDC retains a 60 per cent. holding in Nimslo with the remaining 40 per cent. in the hands of the U.K. investors.

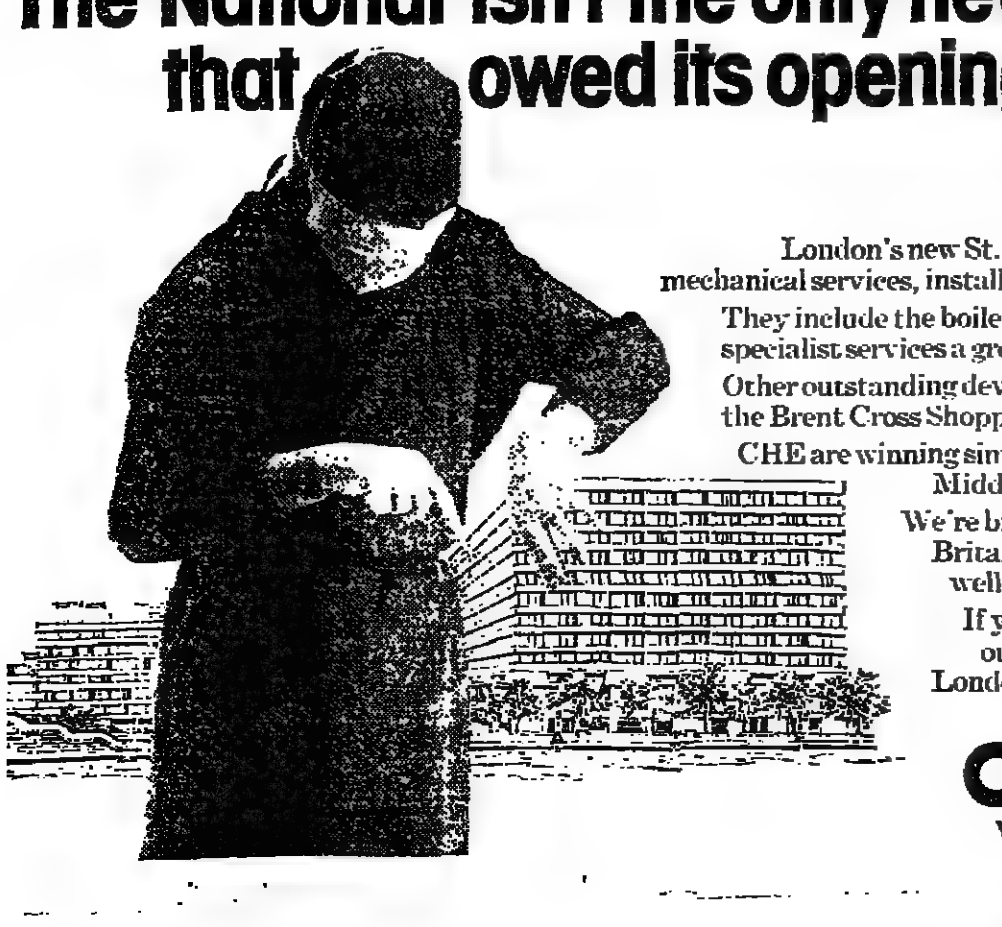
Grovebell to pursue more expansion

Every effort to expand and develop Grovebell Group will be continued by taking advantage of opportunities as they arise, Mr. V. J. Advani, the chairman, says in his annual statement.

The potential in terms of development of new products and markets of Gregory and Hephrun Manufacturing, a Burnley based maker of sheet metal products, has yet to be realised he says. The company is part of Gregory and Hephrun which was acquired in 1977 for £158,487. The trading arm of this new subsidiary will be rationalised and new products and associated fields of activity are being investigated.

As a result of the cut in interest rates there has been increased activity in the property market and it is hoped that in the near future Grovebell Limited will be in a position to dispose of its industrial estate at Farnham. This company contributed £8,091 to group pre-tax profits last year.

An analysis of sales and profit by activity shows: motor and caravan trade £3.18m. (£3.45m.) and £80,308 (£40,573); other trading activities £833,291 (£2,927) and £39,179 (loss £4,774), and confirming £175,570 (nil) and £7,338 (nil). Rent received amounted to £44,470 (£43,940) and profit from leasing freehold property was £8,091 (£11,713).



Good start for Myson

IF THE level of sales achieved by Myson Group in the first quarter is maintained throughout 1978 a "very acceptable" profit should result, Mr. R. E. Myson, the chairman, says in his annual statement.

Order intake for the first three months was a record and sales are currently running at a rate of £50m. per year, although there are a few problems of demand for certain products. Turnover of the heating, cooling and ventilation group last year totalled £42.24m., and profit before tax slumped from £1.09m. to £126,350.

While Mr. Myson says he cannot be euphoric about the U.K. economic outlook and the European subsidiary problem is not completely resolved, better liquidity is resulting from the newly subscribed capital and assistance from Department of Industry and the European Coal and Steel Commission. And this is being augmented by improved self-generated cash flow.

He says that while losses incurred by its French subsidiaries continued into the second half of last year various actions that have and are being taken and the improved political and economic situation should result in a reasonable improvement in the current year.

The newly acquired Soledec is developing sales outside France, particularly in Germany, and with the anticipated upturn in the French market a useful profit contribution is expected.

The acquisition of Soledec coincided with the decision to cease supplying the French market with radiators from the U.K., and formed part of the group's move to increase radiator sales in the U.K.

Demand for the group's radiators has constantly exceeded supply despite the overall downturn in the central heating market in recent years, and in November certain premises, plant and equipment were acquired from the Receiver of Penrad for £325,000, a fraction of the cost of the assets.

Myson has scrapped expansion plans at its Tunbridge Wells factory, and this location is now to be sold. The Penrad assets *are in Cardiff, and the Welsh De*velopment Agency has subscribed for £600,000 of deferred capital, the Department of Industry is providing interest relief and regional development grants and the Steel Commission a medium-term loan at preferential rates.

Shareholders will be asked to approve the allotment of shares to the Welsh Development Agency at the May 31, meeting at Bury Street, S.W., at noon.

Downturn at Sabah Timber

ON TOTAL turnover of £74.43m. against £69.43m., pre-tax profit of Sabah Timber Company dropped from £9.69m. to £7.04m. in 1977.

At halfway profit was £150,000 down at £4.11m., pointing to a second half slump from £5.43m. to £2.93m. for the 55.8 per cent. owned subsidiary of Harrisons and Crosfield.

The result was before tax of £3.46m. (£4.61m.), minority interests of £4,974 (£8,647) and extraordinary items of £0.74m. (£0.68m.). Sabah turnover contributed £5.91m. (£7.7m.) of the total.

Earnings per 10p share are shown at 8.43p (11.97p) before extraordinary items, and a final dividend of 1.134p net takes the total to a maximum permitted 1.634p (1.47858p). Retained profit was £3.61m. (£5.14m.).

1976 results have been adjusted for ED 19.

Sena Sugar loss worse than expected

Even greater losses than previously forecast are anticipated at Sena Sugar Estates for 1977, the directors state. They also propose to raise the group's borrowing limits from £29m. to £40m.

In November, when announcing a pre-tax deficit of £6.96m. for 1976 they said a similar figure was expected for 1977 with the result that all the share capital and reserves of the company would have been lost.

They now report that it is impossible to estimate at present *how much sugar will be pro*duced during 1978 because no realistic dates can be given for the commencement of crushing at the two factories.

The proposal for an increased borrowing level involves an alteration of the Articles of Association of the company. Members were warned in November that the present limit on borrowing powers would be reached during April or May this year, and that earlier financial projections could not be attained because of a fall in sugar production.

At that stage the directors said the company had been able to continue operating in Mozambique only because it had received full financial support from the Banco de Mocambique which had made advances on a quarterly basis to meet day-to-day expenditure of the branch operating in that country and the London office.

To ameliorate the situation the Board had put certain proposals before the Mozambique Government with a view to relieving the company of its enormous burden of debt to the bank.

Frizzell buys control of broker

Insurance broker and finance company Frizzell Group has acquired a majority holding in Bradstock Hicks, a marine broker specialising in hull and cargo insurance and subsidiary of Bradstock Plunket and Crawley. The acquired company will be renamed Frizzell Hicks.

New capital raised during 1977 as a result of an approach by *Finance for Industry, will enable* the company to expand by acquisition, Mr. N. R. Frizzell, the chairman, comments. In addition to the deal just announced other possible opportunities for expansion are under consideration, he says.

Frizzell Group also reports an *advance in profit from £1.61m. to* £1.83m. for 1977 before tax of £968,000 (£923,000). Earnings per 25p share improved to 6.4p (5.3p), and a final dividend of 1p effectively takes the total to 1.99p.

Insurance services contributed £1.49m. (£1.35m.) profit on 84 per cent. (83 per cent.) of turnover and credit finance £332,000 (£285,000) on the remainder.

Net liquidity at year end was up £5.07m. (£1.18m.) with bank borrowing lower at £3.19m. (£5.5m.) and bank balances and cash at £696,000 (£1.53m.).

Mr. Frizzell says that although a below-average rate of profit growth was achieved for the year he is well satisfied with the progress in long term plans, and is confident that the group will continue to grow along sensible lines in the future.

At the beginning of 1977 when the company was seriously considering a public flotation the *directors were approached by* Finance for Industry which already had an existing holding and offered to acquire a substantial holding.

AUDIO FIDELITY

Owing to an agency error it was reported on Saturday that the pre-tax profit of Adio Fidelity fell from £427,708 to £103,768 in the six months to October 31, 1977.

The comparative figure was for the full 1976-77 year. The profit for the comparative first half was £196,709 and the tax figure £99,175 not £228,509.

RESULTS AND ACCOUNTS IN BRIEF

ALVA INVESTMENT TRUST—Results year to February 28, 1978 already known. Quoted investments £2.87m. (£1.74m.), unquoted £42,833 (£35,150), unrealised appreciation £655,020 (£86,509). Net current liabilities £26,050 (£35,548). Liquidity down £46,066 (up £38,369). Alisa Investment Trust holds 13.9 per cent.; Practical Investment Funds 10 per cent.; and Cornhill Insurance 9.94 per cent. Meeting, Glasgow, May 30, at 12.30 p.m.

ANCHOR CHEMICAL CO.—Results for 1977 reported April 7 with prospects. Group fixed assets £1.34m. (£1.13m.), net current assets £899,153 (£435,480). Working capital up £269,142 (£158,567). Sartomer Industries Inc. holds 14 per cent.; Prudential Assurance 6 per cent. Meeting, Manchester, May 23, at 11.30 a.m.

BREEDON AND CLOUD HILL LIME WORKS—Results for year to January 31, 1978, reported April 1. Group fixed assets £1.17m. (£0.97m.). Net current assets £0.6m. (£0.52m.) Despite difficult trading conditions the directors have committed substantial funds for plant re-equipment in anticipation of an upturn in the construction industry. It is hoped that this new investment will assist the company to demonstrate once again its trading and financial strength in the current year. Capital expenditure contracted for but not provided for £102,127 (nil). Authorised by directors but not contracted for £150,000 (nil). Meeting, Breedon-on-the-Hill, May 30 at noon.

COPE SPORTSWEAR—Board proposes that each share of 10p be sub-divided into two shares of 5p, including those to be issued by way of scrip.

DORMAL INVESTMENTS—Profit after tax for year to March 31, 1978 £9,966 (£5,323). Accumulated losses for tax purposes at March 31 available against future rental income amounted to £26,315. Agreedrentals on an annual basis from *all the company's* properties. Total £13,180 (£14,508). Tenants are being bought for the remaining unlet space at the company's multi-storey warehouse/storage premises at Southampton. Dormal's outstanding borrowings are interest-free loans from Doranakande and Malaysian companies of £73,100 each (£75,000).

EL ORO MINING AND EXPLORATION COMPANY—Results for 1977 already known. U.K. quoted investments £1,384,821 (£1,161,563), unquoted £11,297 (£11,634), current assets £42,511 (£118,842), current liabilities £355,868 (£145,580). Net liquid funds down £146,546 (up £91,072). Exploration Company holds 49.85 per cent. Meeting, Cavalry Club, W., *May 31*, at 12.30 p.m.

GENERAL INVESTORS AND TRUSTEES—Results year ended January 31, 1978 reported April 14. Net asset value 132p (117p) per share. The 20 largest holdings represent 25.51 per cent. of the portfolio. Chairman says difficult to forecast but believes current year's revenue and dividend will be at least maintained. Recent two year sterling loan from bankers *now fully* invested, and this addition to funds should prove profitable. Meeting, 1-2, Laurence Pountney Hill, EC, May 25 at noon.

GREEN'S ECONOMISER GROUP (engineering product manufacturers)—*Results for 1977 reported on April 14 with* prospects. Group fixed assets £3.58m. (£3.2m.), net current assets £5.52m. (£5.66m.). Year-end net liquidity down £1.12m. (up £1.33m.). Auditors say it is not possible to determine what liability, if any, may arise in respect of £0.8m. claim against E. Green and Son for alleged negligence in connection with the manufacture of gas-cooler bundles and headers. Meeting, Connaught Rooms, W.C., June 1, at noon.

LE VALLONET INVESTMENT TRUST COMPANY—Results for 17 months to December 31, 1977, announced April 28. Quoted investments £0.61m. (£0.58m.), unquoted £46,000 (£0.24m.). Net current assets £51,927 (£7,635). Company controlled by Air Call. Meeting, Jersey, May 25, at 2.30 p.m.

H. AND J. QUICK (main Ford dealers)—Results for 1977 reported March 30. Group fixed assets £2.25m. (£1.92m.), Current assets £7.39m. (£6.19m.). Current liabilities £5.8m. (£5.38m.). Chairman says 1978 should see the company maintaining its forward progress. Certainly the first quarter looks good with all departments playing their part. Meeting, Manchester, on May 25, at 11 a.m.

STEEL BROTHERS HOLDINGS (international traders and manufacturers)—Results for 1977 reported April 25. Group fixed assets £21.11m. (£21.31m.). Current assets £37.45m. (£34.05m.). Current liabilities £28.23m. (£27.81m.). Meeting, *Dorking, on June 2 at noon.*

SUNGEI BAHRU RUBBER ESTATES—Rubber crop in nine months to March 31, 1978, was 1,234,587 kgs. (1,061,179 kgs.). Sales to date are 1,016,101 (1,063,000) at a net average price of 45.28p (51.37p) per kg. Interim dividend *0.82p (same) net* per 10p share.

TAYLOR PALLISTER (engineering and marine ancillary equipment)—Results for 1977 reported April 14 with observations *on* prospects. Group fixed assets £264,643 (£243,535). Net current assets £380,591 (£485,140). Meeting, Newcastle-upon-Tyne, May 26 at 11 a.m.

TOYE AND CO. (badges, clocks, etc.)—Results for 1977 reported April 29. Group fixed assets *£504,886 (£357,088). Net cur*rent assets £1.38m. (£1.18m.). Chairman states that it is probable that results for the current year will show an improvement. Meeting, Connaught Rooms, WC, on June 1 at noon.

TRIPLEVEST—Results reported April 11. Investments *£27.72m.* (£28.45m.) of which listed U.K. £26.07m. (£24.5m.). Net current assets *£2.47m.* (£1.48m.). Dividend growth expected to be at least 10 per *cent. in 1978.* Meeting, 117 Old Broad Street, E.C., on May 30 at 12.15 p.m.

WILSON (CONNOLLY) HOLDINGS (builders)—Results for 1977 reported April 21. Group fixed assets £8.88m. (6.51m.), current assets £13.18m. (£10.28m.), current liabilities £4.26m. (£3.34m.). Increase in liquid funds £0.7m. (£24,230). Meeting, May 25, Northampton, at noon.

YORKSHIRE-GENERAL LIFE ASSURANCE — *Results for 1977* reported January 7. Investments less reserves £2.26m. (£1.88m.), net current liabilities £183,000 (£148,000). Liquidity at year-end £393,000 (£49,000). Meeting, York, April 26 at 11 a.m.

Three month jump at CU as underwriting loss cut

THE Commercial Union Assurance Company *reports a world-wide* underwriting loss for the first quarter of 1978 of only £3.3m. against a loss of £11.2m. for the corresponding period last year. Premium income at £334m. shows a reduction of 6 per cent. in sterling terms but allowing for changes in rates of exchange and *the effect of the sale of the Aus*trian and German companies last year, there was a growth of approximately 3 per cent. in premium income.

Investment income for the quarter amounted to £33.5m.—of which about £1.5m. came from investment of the proceeds of last December's *rights issue* — compared with £32m. for the corresponding period last year. After adjustment for exchange rates and the Austrian and German sales, *investment income rose* by between 6 and 7 per cent.

Life profits added £3.5m. against £3m. and loan interest was lower at £5.1m., so that pre-tax profits jumped by two-thirds to £29.8m. Pre-tax profits for last year fell just short of £100m. The first quarter result is subject to tax and minorities of £10.7m. (£6.5m.), and 1977 results are adjusted for ED19.

The underlying improvement in operations in the U.S., the largest territorial account, seen in the past two years has continued in motor, liability and workers' compensation classes as rate increases have come through. However, heavy winter storm losses in the first quarter affected the first class. The statutory operating ratio was 99.0 per cent. compared with 107.4 per cent. for the same period last year.

In the U.K., there was an improvement in experience in most classes of business except fire, where the £3m. cost of severe winter storms has been charged to the extreme weather provision. The motor account continued to make an underwriting loss and a 16 per cent. rate increase will take *effect from June 1.*

Underwriting was markedly less profitable in Australia due to severe competition, particularly in fire business. The situation *in this territory* is complex, but premium rates are being driven down by the competition. Canada has continued to make a small profit under the limitations imposed by the Anti-Inflation Board.

Underwriting in the Netherland has remained unprofitable, but most of the effect of rate increases already approved for 1978 has still to come. These increases amount to 20 per cent. and it is hoped to cut losses for 1978 as a whole.

In marine and aviation business, there is no lessening of *competition in the London* market, but the 1976 underwriting year, when closed at the end of 1978, is expected to produce a profit.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held *for the purpose of considering divi*dends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions *shown* below are based mainly on last year's timetable.

TO-DAY

Interims: Cedar Investment Trust, Hall Bros. Steamship, Investors Capital Trust, Richards, United Scientific, Westward Television.

Finals: Averys, Bank of Ireland, Barr and Wallace Arnold Trust, Booth International, Central and Sheerwood, Richard Costain, FPA Construction, P. C. Henderson, Lesney, Mallinson-Denny, Progressive *Securities Investment* Trust, Wire and Plastic Products.

FUTURE DATES

Interims—	
Bass Charrington	May 25
Berisford (S. and W.)	June 15
Brockhouse	May 18
Burco Dean	June 8
Caplan Profile	May 11
Lloyds and Scottish	May 11
MEPC	May 24
Midland Industries	May 11
Muirhead	May 23
Northern American Trust	May 17
Peak Investments	May 12
Wellco	May 10
Whessoe	May 19
Finals—	
Alpine Holdings	May 15
Beattie (James)	May 12
British Syphon Industries	May 24
Chamberlin and Hill	May 17
Cocksedge	June 14
Dunbee-Combex-Marx	May 15
Frith (W. G.)	May 11
Headlam Sims and Coggins	May 15
Hield Bros.	May 15
Inter-City Investment	May 11
J.B. Holdings	May 31
Newman Industries	May 11
Ocean Wilsons	June 12
Stonehill	May 17

£4m. order at Wilkins & Mitchell

MR. H. R. Wilkins, chairman of Wilkins and Mitchell, has announced a £4m. Middle East order for twin tub Servis washing machines.

He also reports that both sides of the group operations are now healthily trading in profit after two disappointing years.

Even the Australian subsidiary, which accounted for most of Wilkins £0.61m. halftime loss, is now starting to trade without further losses.

Although uncertainty continues in the U.K. domestic appliance market Mr. Wilkins says there are *strong indications that confidence* is returning to the market. This, coupled with the recent strong showing in the power press company and improvements in the *Australian company gives the* group every confidence for the future.

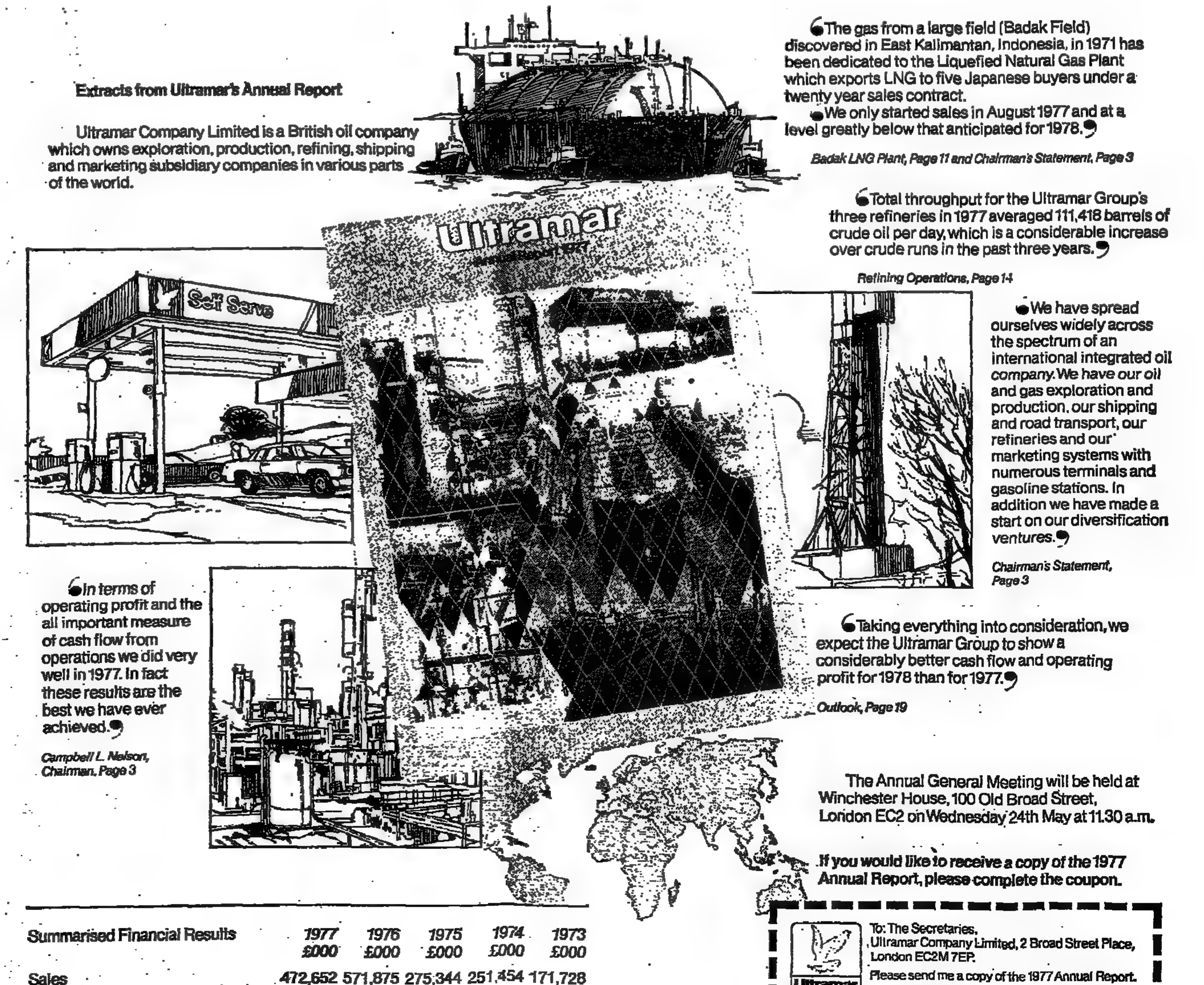
Of the Middle East order, £2.5m. is for 20,000 machines for Iraq *with Jordan, Egypt and* Libya sharing the remainder.

Progress at Aberdeen Inv.

Gross revenue of Aberdeen Investments in the March 31, 1978, year was £83,595 compared with £77,502 previously, and pre-tax profit advanced from £68,379 to £74,952.

The result is subject to tax of £26,659 (£24,777) and the asset value per 25p share is shown at 62.69p (52.83p).

A final dividend of 1.43p (1.25p) takes the total to 2.35 (2.05p.).



Hambro Life expansion

THE VALUE of the long term assurance fund of **Hambro Life Assurance** rose by over £150m. last year to £508m. according to the report and accounts for 1977. Premium income jumped by 17 per cent. to 125m., although single premium payments fell on the year.

Investment income rose by 17 per cent. to £35m. and there was an increase in value of investments of £84m. compared with a fall of £7m. in 1976. Claims were £4m. lower at £53m., with surrenders being £5m. lower at £38m. Expensese were £3m. higher at £25.6m. There was a transfer to profit and loss account of £3.96m. (already reported).

Mr. J. M. Clay, in his chairman's statement, reports that during the year the process of broading the types of business written by the company continued, and policies placing prime emphasis on high life assurance cover accounted for 27 per cent. of new business as measured by initial commissions. This follows the introduction of the new term insurance plan for the self-employed and the new whole life policy.

Pensions business, both individual pension plans for key executives and directors and personal retirement annuity contracts, received a considerable fillip as a result of the introduction of the new State pension scheme. Executive pensions business now accounted for 29 per cent. of initial commissions and personal retirement plans a further 21 per cent.

All the linked funds maintained their investment record last year. The managed fund, valued at £190m. at the end of the year is the largest fund of its kind in the U.K. The offer price rose by 31 per cent. in 1977. The property fund, valued at £104m. showed an increase of 17 per cent. in the offer price, while the new Gilt-edged fund started just over a year ago increased by 27 per cent.

Mr. Clay reports that the company has further consolidated its position as one of Britain's major life companies and innovators, with a total premium income of £125m. and sums insured in force of about £1.9bn. He reports that new business during the first quarter of this year is running substantially ahead of sales for the first quarter of 1977 and the company looks forward to another successful year.

Wood & Sons forecasts prosperity

Mr. H. F. Wood, the chairman of **Wood and Sons (Holdings)** says in his annual statement that the company continues to maintain a strong market position for all its main products and a healthy order book should ensure continued prosperity for 1978.

He says that in spite of fluctuations in the value of the pound the value of exports orders on hand is a record.

Mr. Wood says the earthenware and packing materials group has continued its policy of extending and installing new plant and machinery in order to increase productivity and to provide facilities for processing expanding order volumes.

In connection with this expansion, meetings will be called to consider an increase in the company's borrowing powers.

For 1977 pre-tax profit rose from £209,692 to £253,189. At balance date fixed assets were £0.58m. (£0.51m.), and net current assets £0.78m. (£0.64m.).

Meeting, Stoke-on-Trent, May 31 at noon.

Record at Usher Walker

DESPITE A decline in second half earnings from £247,444 to £232,125, pre-tax profit of Usher-Walker, printing ink and roller group, ended 1977 up from £478,444 to a record £496,125.

Turnover for the year rose from £4.58m. to £5.4m., and the result is subject to tax of £265,843 (£251,787). Earnings per 10p share are shown at 10.66p against 10.49p.

A final dividend of 2.1199p takes the total from 2.9264p to 3.2686p.

MONEY MARKET

Nervous conditions

Bank of England Minimum Lending Rate 8¾ per cent. (since May 5, 1978)

Trading grew increasingly nervous in the London money market yesterday afternoon, with discount houses buying rates for three-month Treasury bills rising to 8 11/16 per cent. in places, and putting further upward pressure on Bank of England Minimum Lending Rate, which rose by 1¼ per cent. to 8¾ per cent., only last Friday. Yesterday's bill rates point towards the possibility of a rise to 9 per cent. in MLR this week, although conditions were generally patchy, and it was probably too early in the week to establish a firm trend.

Day-to-day credit was in good supply and the authorities absorbed surplus funds by selling a large amount of Treasury bills to the discount houses. The mopping up was probably slightly overdone however, and banks are expected to bring forward rundown balances.

Bank balances were in surplus over the week-end, and the market was also helped by an excess of Government disbursements over revenue payments to the Exchequer. The only factor against the market was settlement for some gilt-edged stock sold by the authorities on Friday.

Discount houses paid up to 7½ per cent. for secured call loans, and closing balances were taken at 6-6½ per cent.

In the interbank market overnight loans opened at 7¾-8 per cent., and eased to 6¾-7 per cent., before closing at 7-7½ per cent.

Rates in the table below are nominal in some cases.

May 8 1978	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	6¾-8	—	—	—	7¼-7½	6-7½	—	—	—
2 days notice	—	—	7¾-8⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	7¼-8¼	8-8⅛	—	8-8½	8-8¼	7-7⅜	—	—	—
One month	8⅛-8¼	8⅛-8 5/16	8¼-8½	8⅜-8¼	8¼-8⅝	8⅞	7¾	8 1/16-8 3/16	8¼-8 3/16	8¾
Two months	8⅜-8½	8¾-8⅝	—	8⅜-8¼	8⅞-9	—	7⅞	8⅛-8¼	8 5/16-8⅜	8¾-8⅞
Three months	8½-8⅝	8¾-9	8⅝-8¾	8⅞-8¼	8⅞-9⅛	9⅛	8	8⅛-8⅜	8⅝-8 11/16	8¾-9
Six months	9⅛-8⅞	9-9⅛	9-9⅛	9-8⅞	9⅜-9⅝	—	—	—	8¾-8⅞	9⅛
Nine months	9⅛-9⅜	9¼-9⅜	—	9¼-8⅞	9⅜-9¾	—	—	—	—	—
One year	9⅜-9¼	9⅝-9⅞	9½-9¾	9⅝-9	9¾-10	—	—	—	—	—
Two years	—	—	10⅛-10¼	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rate nominally three years 11¾-11⅞ per cent.; four years 11¾-12 per cent.; five years 12-12⅛ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 8¾-8⅞ per cent. four-month trade bills 9¼ per cent.

Approximate selling rates for one-month Treasury bills 7 15/16-8 1/16 per cent.; two-month 8 1/16-8⅛ per cent. and three-month 8¼-8 5/16 per cent. Approximate selling rate for one-month bank bills 8 1/16-8 3/16 per cent.; two-month 8¼-8⅜ per cent.; and three-month 8½-8 9/16 per cent. One-month trade bills 9¼ per cent.; two-month 9-9⅛ per cent.; and also three-month 8¾-9 per cent.

Finance House Base Rates (published by the Finance Houses Association) 7½ per cent. from May 1, 1978. **Clearing Bank Deposit Rates** (for small sums at seven days' notice) 4 per cent. **Clearing Bank Base Rate for lending 7½ per cent. Treasury Bills:** Average tender rates of discount 8.2225 per cent.

BIDS AND DEALS

Helene issue to complete

Helene of London is to issue some £474,000 worth of convertible Preference shares in order to pay for the last tranche of the acquisition costs of **George Frank (Textiles)** and **Great Moor Fashions**. The move is an alternative to a cash payment and will free the company's cash facilities for further organic expansion.

The preference shares (306,000 of them with a conversion right from July 31, 1979 on the basis of one for 10 and with a 12 per cent. coupon) have been placed with institutions at 155p.

The move is in addition to the recent deal with Industrial and Commercial Finance Corporation which has an option to buy 1m. Ordinary shares at par at any time up to the end of this year. ICFC will pay 100,000 for the option.

POCHINS BUYS BL DEALER

Pochins has agreed to buy 75 per cent. of the capital of **Meirion Motors**, British Leyland main dealers of Aberystwyth.

Pre-tax profit of Meirion for year ended July 1977, amounted to £57,000 and net assets at that date totalled approximately £100,000. The Board of Pochins says that Meirion represents an attractive investment providing an additional profit centre compatible with the specialist plant hire division of Pochins.

Pochins is paying £140,000 for Meirion; £95,000 in cash on completion with a further £45,000 in cash after production of audited accounts for the year ending July 1978.

SHARE STAKES

Manchester and London Invest. Trust—B. S. Sheppard, chairman, has bought 25,757 shares increasing holding to 94,393 (9.42 per cent.).

Warne Wright and Rowland—Central Manufacturing and Trading Group has bought further 20,000 shares making total 885,000.

Willis Faber—D. V. Palmer, director, on May 2 sold 30,000 shares at 258p. On May 3 he reduced his beneficial interest by 58,000 shares and his non-beneficial interest by 82,000 shares. On May 3 H. E. Gumbel's non-beneficial interest was reduced by 60,000 shares. Reduction in Mr. Gumbel's interest accounted for by transfer of shares to the beneficiary of a trust of which he is a trustee.

Wagon Finance Corporation—Duncan Lawrie Investments consequent upon the scrip issue now holds 1,250,000 shares.

English Property Corporation—D. A. Llewellen, director, on May 3 became interested in an additional 150,000 shares, 100,000 bought at 30½p and 50,000 at 31p.

MEPC—C. J. Benson, director, has exercised his option under share option scheme to acquire 16,662 shares.

Wettern Bros.—W. and J. Glossop has acquired further 12,500 shares. Total holding 420,000 (24.99 per cent.).

H. and J. Quick Group—L. J. Ellison, director, on May 4, disposed of 15,400 shares at 51½p.

Vernon Fashion Group—The following directors last week sold shares as follows: S. Marks 28,000, L. Vernon 15,000, M. Kleiner 5,000, H. Grant 10,000.

Advance Laundries—London and Manchester Assurance has acquired 2,500 8 per cent. cumulative £1 preference shares and holds 44,960 shares.

R. K. TAYLOR BIDS FOR REST OF TEXTILES

Robert Kitchen Taylor, the knitwear manufacturer and textile merchant, is to bid 96p cash per share for the remining 24.6 per cent. of RKT Textiles it does not already own. This compares with the share price of 72p at its suspension last month.

Taylor sees greater flexibility, the elimination of administrative costs and simplification of the group's capital structure resulting from RKT Textiles becoming a wholly owned subsidiary.

It also appears that Taylor needs the fast improving textiles subsidiary alongside its Chart Street property to boost future growth especially after it has discontinued its loss-making domestic appliance business.

After a jump in pre-tax profits from £652,699 to £960,485 on sales of £12.4m. last year, RKT Textiles is making further satisfactory progress this year. Pre-tax profits for the first half are likely to exceed the £397,838 earned in the corresponding period of 1977.

DAWNAY DAY SALE

Dawnay Day Group, the merchant banking and investment concern, has agreed to sell its provender miller subsidiary, Sainsbury's of Trowbridge, to **Pauls and Whites**, corn merchants and animal feedstuff manufacturer. Involved in the deal is Southmead Rearers, the pig farming subsidiary of Sainsbury's.

Pauls and Whites says that the acquisition will provide a natural extension to its animal feed business in the South West.

LONRHO/SUITS

Lonrho should know in the next few days whether its controversial takeover bid for **Scottish and Universal Investments** will be referred to the Monopolies Commission.

The offer is due to expire on Friday and a report from the Office of Fair Trading is expected to be delivered to the Prices Secretary, Mr. Roy Hattersley, in the next two days.

Meanwhile, the battle of words between the two companies is continuing with the latest defence document sent by three SUITS directors opposing the bid to shareholders yesterday.

The document is critical of a letter sent by Lonrho chief executive, Mr. "Tiny" Rowland, to the SUITS shareholders last week-end.

MITCHELL COTTS

Discussions are in progress between **Mitchell Cotts Group** and **Mitchell Cotts Transport** with a view to the Group acquiring those shares in Transport not presently held.

The Group at present holds 77.01 per cent. of Transport. A further announcement will be made in due course.

WALKER (U.K.)

The listing of Walker Sons' and Co. (U.K.) 6½ per cent. Preference shares was restored yesterday. **Anglo-Indonesian Corporation** intends to make an offer of 40p cash for this stock, other than the £25,000 (17.4 per cent.) already owned and which was acquired by it at 36p following the share suspension.

The Board of Walker's is considering the terms and advise shareholders to take no action for the time being.

BOC/AIRCO

Boc International has received and purchased about 3m. Common shares and $8.8m. of convertible debentures equal to about 218,000 Common shares of Airco Inc. this results from its tender offer which expired last Friday. BOC now owns 94.5 per cent. of Airco.

All Airco shares not owned will be converted into a right to receive cash at $50 per share and Airco will be merged into BOC.

PONTINS

Pontins, the leisure group, made pre-tax profits of £8.2m. for the nine months ended December 31, 1977. This figure was released yesterday in a document sent to shareholders of its new parent company, Coral Leisure Group.

Early this year, Pontin's had forecast pre-tax profits of £7.3m. for the year to March 31, 1978, compared with £6.7m. in 1976-77.

The bulk of Pontin's earnings in the nine-month period came from its holiday centres in the U.K. and overseas including Jersey. These account for profits of £9.3m. on sales of £40.3m., with U.K. centres pulling in £25.6m.

A consolidated proforma balance sheet of Coral and Pontin's included in the latest document showed marginal changes from that reported in the offer document. Net assets excluding goodwill per share were stated at 65.3p against 66.3p while total assets amounted to £153.3m. compared with £151.7m.

TARTAN McCAUL

The listing of Tartan McCaul Ordinary shares has been cancelled at the company's request. Over 93 per cent. has been acquired by Corinthian Holdings.

ASSOCIATES DEAL

Laing and Cruickshank on Friday bought 50,000 Linfood Holdings at 139p for a subsidiary of Guinness Peat Group.

MINING NEWS

Rockbursts preoccupy the gold mines

BY PAUL CHEESERIGHT

THE SOUTH African Chamber of Miles has managed to arrest, although not conquer, the problem of rockbursts, Mr. L. W. P. van den Bosch, the president, stated in the Chamber's latest monthly report.

The claim comes a week after a rockburst caused the death of 20 miners at **Buffelsfontein**, the **General Mining** group's gold and uranium producer in Klerksdorp.

Rockbursts are a geological phenomenon. The violent release of energy causes rock disruptions which in turn damage underground mine workings. They usually occur suddenly and without warning. Analysing their causes and finding a preventive has been a preoccupation of the industry since the early years of this century.

"The fatality rate cause by rockbursts has been held more or less constant, despite the significantly deeper levels at which our miners are working. In fact this in itself may even be viewed as a net gain by the industry," Mr. van den Bosch said.

However, there has been a general reduction in mine fatalities from all other causes.

Before 1910 mine fatalities were running at the rate of five for every 1,000 workers. Rockbursts accounts for less than a fifth of the total. By this decade the level of fatalities had dropped, on statistical analysis, to 1.25 per thousand, and rockbursts accounted for about four-fifths of the total.

Committees examining the problem have been sitting spasmodically ever since 1908 and although the degree of knowledge about rockbursts has grown to the extent that preventive measures like rapid yielding hydraulic props may now be applied, technology does not exist to ameliorate the problem significantly.

But the industry has not been able in any case to apply the preventive measures uniformly, the Chamber said. The size and complexity of the gold mining industry has meant that changes have not been absorbed rapidly.

The Chamber's Research Organisation is conducting what it calls multi-disciplinary investigations into the hazards of rockbursts, which increase the deeper mining goes.

$101m. Wyoming uranium plans

AMERICA's Tennessee - Valley Authority has authorised spending of about $101m. (£55.3m.) during the next six years to produce uranium ore from its central Wyoming properties.

The utility said that beginning this spring the funds will be used to develop one underground mine and eight separate open-pit mines with maintenance shops power-lines substations and roads.

TVA expects to produce more than 12m. pounds of uranium concentrates from the projects by 1993.

ROUND-UP

Malaysian tin concentrate production rose by 1,062 tonnes to 6,772 tonnes in March. Deliveries from mines to smelters were also up on the previous month, to 7,652 tonnes from 5,813 tonnes.

* * *

New Zealand Steel has agreed to cut by 20 per cent. the amount of ironsand concentrate it sells to the Japanese steel industry, reports Dai Hayward from Wellington. Its contract calls for shipments of 2.1m. tonnes this year. Japanese steelmakers are heavily over-stocked with all grades of iron ore. NZ will make up part of the deficit with supplies to Korea.

* * *

Mine workers at the Emperor Gold operation in Vatukoula, Fiji, yesterday started a strike over pay. The union is demanding rises to recoup a 5 per cent. wage cut accepted last year as part of an arrangement to keep the mine open. Tomorrow, the Fiji Government resumes talks with Emperor about buying the mine. The company's shares were unchanged yesterday at 20p.

* * *

Freeport Minerals, the U.S. group, has declared a regular quarterly dividend of 40 cents (21.8p) a share.

Deficit funded at Codemiza

JAPANESE MINING houses are to put up Y3.5bn. (£8.4m.) to cover the deficit incurred during the year to last March by Compagnie de Developpement Miniere du Zaire (Codemiza).

Codemiza operates a joint venture with the Zaire Government and produces 27,000 tonnes of copper each year. Like other producers it has been hit by the slump in world prices.

The funds are coming from the Codemiza shareholders — **Nippon Mining, Mitsubishi Metal, Sumitomo Metal Mining, Down Mining, Furukawa Mining** and **Nissho-Iwai**.

This is the latest instance of depression in the international copper industry, which has been waiting, so far in vain, for a recovery in capital investment in the industrialised economies. Losses have ben widespread and cutbacks in production capacity have been frequent, spreading from the Americas to Zambia.

MINING BRIEFS

GEEVOR TIN—April output: 18,269 tonnes treated produced 98 tonnes Black tin, including 8 tonnes low grade concentrates. March output 98 tonnes.

SAINT PIRAN—April production of tin concentrates by group companies: U.K. (tonnes treated 21,966), 170 tonnes (70 per cent. tin metal, (March 201 tonnes), Malaysia, 19 tonnes (March 23 tonnes), Thailand, 84 tonnes (March 94 tonnes).

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on May 8, 1978. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territories; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (exC) exchange certificates rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit		Value of £ Sterling
Afghanistan	Afghani	65.00
Albania	Lek	10.035
Algeria	Dinar	7.542
Andorra	French Franc Spanish peseta	8.41⅝ 147.55
Angola	Kwanza	n.a.
Antigua (S)	E.Caribbean $	4.915
Argentina	Ar. Peso Free Rate	1,400
Australia (S)	Australian $	1.60745
Austria	Schilling	27.55
Azores	Portug. Escudo	82.10
Bahamas (S)	Ba. Dollar	1.8180
Bangladesh (S)	Taka	28.025
Bahrain (S)	Dinar	0.707
Balearic Is.	Spa. Peseta	147.55
Barbados (S)	Barbados $††	3.636
Belgium	B. Franc	(cm) 58.05 (fn) 59.00
Belize	B $	3.636
Benin	C.F.A. Franc	420.8
Bermuda (S)	Bda. $	1.8180
Bhutan	Indian Rupee	15.7418
Bolivia	Bolivian Peso	36.38
Botswana (S)	Pula	1.5058
Brazil	Cruzeiro ‡‡	31.52
Br. Virgin Isles (S)	U.S. $	1.8180
Brunei (S)	Brunei $	4.2465
Bulgaria	Lev	1.71
Burma	Kyat	12.5125
Burundi	Burundi Franc	164.48
Camero'n Rp	C.F.A. Franc	420.8
Canada	Canadian $	2.04475
Canary Is.	Spanish Peseta	147.55
Cape Verde I.	Cape V Escudo	n.a.
Cayman Is. (S)	Cay. I. $	1.515
Cent. Af. Rp.	C.F.A. Franc	420.8
Chad	C.F.A. Franc	420.8
Chile	C. Peso	(Bk) 43.88
China	Renminbi Yuan	3.1654
Colombia	C. Peso	(F) 69.80
Comoros Isls.	C.F.A. Franc	420.8
Congo (B'ville)	C.F.A. Franc	420.8
Costa Rica	Colon	15.6348
Cuba	Cuban Peso	1.5307
Cyprus (S)	Cyprus £	0.7050
Czechoslovak.	Koruna	(com) 10.30 (nc) 20.90 (T) 17.55
Denmark	Danish Krone	10.51⅞
Djibouti	Fr.	300
Dominica (S)	E. Caribbean $	4.915
Domin. Rep.	Dominican Peso	1.8180
Ecuador	Sucre	(O) 45.27 (F) 47.25
Egypt	Egyptian £	(O) 0.754 (T) 1.275
Ethiopia	Ethiopian Birr	(P) 3.7876
Eq't'l Guinea	Peseta	147.35
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	10.51⅞
Fiji Is.	Fiji $	1.556
Finland	Markka	7.68
France	French Franc	8.41⅝
Fr. C'ty in Af*	C.F.A. Franc	420.8
Fr. Guiana	Local Franc	8.41⅝
Fr. Pac. Is.	C.F.P. Franc	153.025
Gabon	C.F.A. Franc	420.8
Gambia (S)	Dalasi	3.9788
Germany (East)	Ostmark	3.88
Germany (West)	Deutschmark	3.88
Ghana (S)	Cedi	2.00 (sg)
Gibraltar (S)	Gibraltar £	1.00
Gilbert Is.	Aust. Dollar	1.60745
Greece	Drachma	68.417
Greenland	Danish Kroner	10.51⅞
Grenada (S)	E. Caribbean $	4.915
Guadeloupe	Local Franc	8.41⅝
Guam	U.S. $	1.8180
Guatemala	Quetzal	1.8180
Guinea Rep.	Sily	37.589
Guinea Bissau		76.7198
Guyana (S)	Guyanese $	4.6600
Haiti	Gourde	9.08
Honduras Rep.	Lempira	3.66
Hong Kong (S)	H.K.$	8.46425
Hungary	Forint	(com) 72.66 (T) (nc) 38.88
Iceland (S)	I. Krona	468.9
India (S)	Ind. Rupee	15.7418
Indonesia	Rupiah	754.47
Iran	Rial	(A) 128
Iraq	Iraq Dinar	0.53785
Irish Rep (k)	Irish £	1.00
Israel	Israel £	30.4
Italy	Lira	1,579¾
Ivory Coast	C.F.A. Franc	420.8
Jamaica (S)	Jamaica Dollar	[illegible]
Japan	Yen	409¼
Jordan (S)	Jordan Dinar	0.553 (sg)
Kampuchea	Riel	2151.8
Kenya (S)	Kenya Shilling	14.4095
Korea (Nth)	Won	1.5649 (‖)
Korea (Sth)	Won	880.03
Kuwait (S)	Kuwait Dinar	0.503
Laos	Kip Pot Pol	596.6
Lebanon	Lebanese £	5.5257
Lesotho	S. African Rand	1.5870
Liberia	Liberian $	1.8180
Libya	Libyan Dinar	(P) 0.5382
Liechtenstein	Swiss Franc	3.59¼
Luxembourg	Lux Franc	58.05
Macao	Pataca	9.07
Madeira	Portug'se Escudo	82.10
Malagasy Rp.	MG Franc	420.8
Malawi (S)	Kwacha	1.5688
Malaysia (S)	Ringgit	4.3485
Maldive Is. (S)	Mal Rupee	7.1447
Mali Rp.	Mali Franc	841.625
Malta (S)	Maltese £	0.7250
Martinique	Local Franc	8.41⅝
Mauritania	Ouguiya ‡	85.9
Mauritius (S)	M. Rupee	11.474
Mexico	Mexican Peso	41.38
Miquelon	C.F.A. Franc	420.8
Monaco	French Franc	8.41⅝
Mongolia	Tugrik	(O) 5.6444 (‖)
Montserrat	E. Carribean $	4.915
Morocco	Dirham	7.80 (sg)
Mozambique	Moz. Escudo	60.245
Nauru Is.	Aust. Dollar	1.60745
Nepal	Nepalese Rupee	21.816
Netherlands	Guilder	4.08½
Neth. Ant'les	Antillian Guild	3.2542
New Hebrides	Franc Austl. Dollar	166.0202 1.60745
N. Zealand (S)	N.Z. Dollar	1.79855
Nicaragua	Cordoba	12.75
Niger Rp.	C.F.A. Franc	420.8
Nigeria (S)	Naira	1.18118
Norway	Norwg. Krone	9.85½
Oman Sultanate of (S)	Rial Omani	0.630
Pakistan	Pkst. Rupee	18.05
Panama	Balboa	1.8180
Papua N.G. (S)	Kina	1.3175
Paraguay	Guarani	227.16
P'pl's D. Rp of Yemen (S)	S. Yemen Dinar	(A) 0.6206
Peru	Sol	exc(A) 257.29
Philippines	Ph. peso	13.3990
Pitcairn Is. (S)	£ sterling New Zealand $	— 1.79855
Poland	Zloty	(Cm) 61.00 (T) 61.90
Portugal	Pgse. Escudo	82.10
Port Timor	Timor Escudo	82.10
Principe Isle	Pgse. Escudo	82.10
Puerto Rico	U.S. $	1.8180
Qatar (S)	Qatar Ryal	7.07
Reunion Ile de la	French Franc	8.41⅝
Rhodesia	Rhodesian $	1.2008
Romania	Leu	(cm) 8.48 (n/c) T. 22.78
Rwanda	Rwanda Franc	174.48
St. Christopher (S)	E. Caribbean $	4.915
St. Helena	St. Helena £	1.0
St. Lucia (S)	E. Caribbean $	4.915
St. Pierre	C.F.A. Franc	420.8
St. Vincent (S)	E. Caribbean $	4.915
Salvador El	Colon	4.55
Samoa (Am.)	U.S. $	1.8180
San Marino	Italian Lire	1,579¾
Sao Tome	Pgse. Escudo	82.10
Saudi Arabia	Ryal	6.28
Senegal	C.F.A. Franc	420.8
Seychelles	S. Rupee	15.55
Sierra Leone (S)	Leone	2.0
Singapore (S)	Singapore $	4.2555
Solomon Is (S)	Australian $	1.60745
Somali Rep.	Som Shilling	(A) 11.444
Sth. Africa (S)	Rand	1.5870
S.W. African Territories (S)	S. A. Rand	1.5870
Spain	Peseta	147.55
Span. Ports in North Africa	Peseta	147.55
Sri Lanka (S.)	S.L Rupee	29.025
Sudan Rp.	Sudan £	(A) 0.653
Surinam	S. Gilder	3.2542
Swaziland (S.)	Lilangeni	1.5870
Sweden	S. Krona	8.42¼
Switzerland	Swiss franc	3.59¼
Syria	Syria £	(A) 7.1356
Taiwan	New Taiwan $	(P) 69.094
Tanzania (S.)	Tan. Shilling	14.405
Thailand	Baht	37.145
Togo Rp.	C.F.A. Franc	420.8
Tonga Is. (S.)	Pa'anga	1.5015
Trinidad (S.)	Trin. & Tobago $	4.3632
Tunisia	Tunisian Dinar	0.7581 (sg)
Turkey	Turkish Lira	45.75
Turks & C's	U.S. $	1.8180
Tuvalu	Australian $	1.60745
Uganda (S.)	Ug. Shilling	14.10
Utd. States	U.S. Dollar	1.8180
Uruguay	Uruguay Peso	(cm) 10.24 (fn) 10.29
Utd. A'b Emirs.	U.A.E. Dirham	7.07
U.S.S.R.	Rouble	1.27
Upper Volta	C.F.A. Franc	420.8
Vatican	Italian Lire	1,579¾
Venezuela	Bolivar	7.81
Vietnam (Nth)	Dong	(O) 4.4725 (T) 4.1603 (‖)
Vietnam (Sth)	Piastre	3.8853
Virgin Is. U.S.	U.S. Dollar	1.8180
Western Samoa (S)	Samoan Tala	1.69939
Yemen	Ryal	8.35 (sg)
Yugoslavia	New Y Dinar	33.8939
Zaire Rp.	Zaire	1.495219
Zambia	Kwacha	1.5250

* That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

† Rupees per pound.

‡ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs 5 to one unit of the new currency.

§ General rates of oil and iron exports 76.356.

‖ Based on cross rates against Russian rouble.

** Rate is the Transfer market (controlled).

†† Rate is now based on 2 Barbados $ to the dollar.

‡‡ Now one official rate.

هكذامت الأجل

The List of Applications will open at 10 a.m. on Thursday, 11th May, 1978, and close at any time thereafter on the same day.

This issue is made in accordance with a General Consent given by the Treasury under the Control of Borrowing Order 1958.

Application has been made to the Council of The Stock Exchange for the Stock being issued to be admitted to the Official List.

TYNE AND WEAR COUNTY COUNCIL

Issue of £10,000,000 12 per cent. Redeemable Stock 1986

PRICE OF ISSUE £98¾ PER CENT.

Payable as follows:—

On Application	£10 per cent.
On 20th June, 1978	£40 per cent.
On 15th August, 1978	£48¾ per cent.
	£98¾ per cent.

Interest (less income tax) will be payable half-yearly on 15th May and 15th November

A first interest payment of £4.0909 (less income tax) per £100 Stock will be made on 15th November, 1978.

This issue is authorised by the Tyne and Wear County Council and is issued in accordance with the Local Government Act 1972, the Local Authority (Stocks and Bonds) Regulations 1974 and the Loans Fund (Tyne and Wear) Scheme 1974.

The Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961.

National Westminster Bank Limited, New Issues Department, P.O. Box 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD, as Banker to the issue, is authorised by the Tyne and Wear County Council to receive applications for the above amount of Stock.

1. **SECURITY.**—The Stock and interest thereon will be secured upon all the revenues of the Council. The Stock will rank pari passu with all other securities issued or to be issued by the Council.

2. **PROVISION FOR REPAYMENT OF LOANS.**—The Council is required by Acts of Parliament and by the Loans Fund (Tyne and Wear) Scheme 1974 to make appropriate provision towards redemption of loans raised for capital expenditure and to make such returns in connection therewith as may be required by the *Secretary of State for the Environment.*

3. **PURPOSE OF ISSUE.**—The proceeds of the present issue of Stock will be applied to replace monies temporarily borrowed to meet authorised capital expenditure, to replace maturing debt and to finance further capital expenditure and to *defray the costs, charges and expenses of and incidental* to the issue of the Stock.

4. **REDEMPTION OF STOCK.**—The Stock will be redeemed at par on 15th November, 1986 unless previously cancelled by purchase in the open market or by agreement with the holders.

5. **REGISTRATION.**—The Stock when fully paid will be registered and transferable free of charge in amounts and multiples of one penny by instrument in writing in accordance with the Stock Transfer Act 1963. The Register of the Stock will be kept at Co-operative Bank Limited, P.O. Box 1AN, Blandford Street, Newcastle upon Tyne NE99 1AN.

6. **INTEREST.**—Interest (less income tax) will be paid half-yearly on 15th May and 15th November by warrant which will be sent by post at the Stockholder's risk. In the case of a joint account, the warrant will be forwarded to the person first named in the account unless instructions to the contrary are given in writing.

The first payment per £100 Stock of £4.0909 (less income tax) will be made on 15th November, 1978, by warrant in the usual way to the holder(s) registered on 16th October, 1978.

7. **APPLICATIONS AND GENERAL ARRANGEMENTS.**—Applications on the prescribed form, accompanied by a deposit of £10 per cent. of the nominal amount applied for, will be received at National Westminster Bank Limited, New Issues Department, P.O. Box 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD.

Applications must be for a minimum of £100 Stock or in multiples of £100 for applications up to £1,000 Stock.

Larger applications must be made in accordance with the following scale:—

Applications above £1,000 Stock and up to £5,000 Stock in multiples of £500.
Applications above £5,000 Stock and up to £20,000 Stock in multiples of £1,000.
Applications above £20,000 Stock in multiples of £5,000.

A separate cheque drawn on a bank in and payable in the United Kingdom must accompany each application form. No application will be considered unless this condition is fulfilled.

In the event of partial allotment, the surplus from the amount paid as deposit will be refunded to the applicant by cheque. If no allotment is made, the deposit will be returned in full. No allotment will be made for less than £100 of Stock.

National Westminster Bank Limited reserves the right to return surplus application moneys by means of a cheque drawn on a country branch of National Westminster Bank Limited to any applicant whose application was not supported by a Banker's Draft or by a cheque drawn on a Town Clearing Branch of a *Bank in the City of London.*

Payment in full may be made on or at any time after 20th June, 1978, and discount at the rate of 8? per cent. per annum will be allowed from that date, or from any subsequent date of full payment.

Default in the payment of any instalment by its due date will render all previous payments liable to forfeiture and the allotment to cancellation.

Each applicant to whom an allotment of Stock is made will be sent a renounceable Letter of Allotment, which must be produced when instalment payments are made. Letters of Allotment, which may be split up to 3 p.m. on 25th August, 1978, will contain forms of renunciation which will be available up to 3 p.m. on 1st September, 1978. On payment of the instalment due on 20th June, 1978, the Letter will be appropriately marked and returned to the sender. When payment in full is made, the Letter of Allotment will be appropriately marked and returned to the sender, unless the registration application form has been completed, in which case pages 1 and 2 only of the Letter will be returned to the sender.

Partly paid Letters of Allotment may be split in multiples of £100 Stock, but fully paid Letters of Allotment will be split down to multiples of one penny of Stock. No Letter of Allotment will be split unless all instalments then due have been paid. There will be no charge for splitting Letters of Allotment.

The Stock Certificate will be despatched by ordinary post at the risk of the Stockholder(s) *without further request on 29th September, 1978, to the (first named)* registered holder at his/her registered address. If between 1st September, 1978, and 22nd September, 1978, the Allotment Letter is lodged at Co-operative Bank Limited P.O. Box 1AN, Blandford Street, Newcastle upon Tyne NE99 1AN *with the lodging agent's name and address* inserted in the space provided at the foot of page 3, the Stock Certificate will be despatched to the lodging agent on 29th September, 1978, after which date Allotment Letters will cease to be valid.

A commission of 12½p per £100 Stock will be allowed to recognised bankers and stockbrokers on allotments made in respect of applications bearing their stamp and V.A.T. registration number if applicable: this commission will not, however, be paid in respect of an allotment which arises out of an underwriting commitment.

8. **STATISTICS.**—Relating to the Tyne and Wear County Council:—

Population mid 1977	1,183,000
Rateable Value 1st April, 1977	£190,025,305
Product of a rate of 1p in the £1—1978-79 (estimated) in accordance with the Rate Product Rules 1974 and the Rate Product (Amendment) Rules 1977)	£2,000,332
Net Loan Debt—31st March, 1978 (Estimated)	£91 570 000
Provision for the Redemption of Debt, 1978/79 (Estimated)	£2,926,000
Revenue of the County Council (Precept) 1978/79 (Estimated)	£70,387,290

Prospectuses and application forms may be obtained from:—

NATIONAL WESTMINSTER BANK LIMITED, New Issues Department, P.O. Box 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD, and any of the principal branches of that Bank.

CO-OPERATIVE BANK LIMITED, branches in Durham, Newcastle upon Tyne *and Sunderland.*

J. & A. SCRIMGEOUR LIMITED, The Stock Exchange, London EC2N 1HD.

THE COUNTY TREASURER, Sandyford House, Archbold Terrace, Newcastle upon Tyne, NE2 1ED.

Sandyford House,
Archbold Terrace,
Newcastle upon Tyne, NE2 1ED.
9th May, 1978.

By Order of the Council,
J. J. GARDNER, *Chief Executive.*
C. J. DAVIES, *County Treasurer.*

The List of Applications will open at 10 a.m. on Thursday, 11th May, 1978, and will close at any time thereafter on the same day.

APPLICATION FORM
for
TYNE AND WEAR COUNTY COUNCIL
12 per cent. Redeemable Stock 1986
Issue of £10,000,000 Stock at £98¾ per cent.

To, NATIONAL WESTMINSTER BANK LIMITED,
NEW ISSUES DEPARTMENT, P.O. BOX 79,
DRAPERS GARDENS, 12 THROGMORTON AVENUE, LONDON EC2P 2BD.

I/We hereby apply for *£ ____________ say ....

....pounds) of Tyne and Wear County Council 12 per cent. Redeemable Stock 1986, according *to the conditions contained in the Prospectus* dated 9th May, 1978 and undertake to accept the same or any less amount that may be allotted to me/us and to pay for the same in conformity with the terms of the said Prospectus. I/We request that any Letter of Allotment in respect of *Stock allotted to me/us be sent* to me/us by post at my/our risk to the first written address and that such stock be registered in my/our name(s).

I/We enclose the required deposit of £ .... being *£10 per cent. on the nominal amount* applied for, and warrant that the cheque attached hereto will be honoured on first presentation and agree that any allotment of Stock is made strictly on this understanding.

†I/We declare that I am not/no one of us is resident outside the Scheduled Territories‡ within the meaning of the Exchange Control Act 1947, and that I/we shall not be acquiring the Stock on behalf of or as nominee(s) of any person(s) resident outside those Territories.

............1978. SIGNATURE ....(1)

PLEASE USE BLOCK LETTERS

First Name(s) (in full) ....

Surname and designation
(Mr., Mrs., Miss or Title) ....

Address (in full including postal code) ....

(The spaces below are for use in the case of joint applications)

SIGNATURE ....(2)

First Name(s) in full ....

Surname and Designation
(Mr., Mrs., Miss or Title)
Address in full ....

PLEASE USE BLOCK LETTERS

SIGNATURE ....(3)

First Name(s) in full ....

Surname and Designation
(Mr., Mrs., Miss or Title)
Address in full ....

PLEASE USE BLOCK LETTERS

***Applications must be for a minimum of £100 Stock or in multiples thereof up to £1,000 Stock.**

Larger applications must be made in accordance with the following scale:—

Applications above £1,000 Stock and not exceeding £5,000 Stock in multiples of £500.

Applications above £5,000 Stock and not exceeding £20,000 Stock in multiples of £1,000.

Applications above £20,000 Stock in multiples of £5,000.

†*If this declaration cannot be made, it should be deleted and reference should be made to an Authorised Depositary or, in the Republic of Ireland,* an Approved Agent, through whom lodgment should be effected. Authorised Depositaries are listed in the Bank of England's Notice E.C.1, and include most Banks and stockbrokers in and solicitors practising in the United Kingdom, the Channel Islands or the Isle of Man. Approved Agents in the Republic of Ireland are defined in the Bank of England's Notice E.C.10.

‡The Scheduled Territories at present comprise: the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

A SEPARATE CHEQUE DRAWN ON A BANK IN AND PAYABLE IN THE UNITED KINGDOM MUST ACCOMPANY EACH APPLICATION FORM. NO APPLICATION WILL BE CONSIDERED UNLESS THIS CONDITION IS FULFILLED.

This Form should be completed and sent to:—
NATIONAL WESTMINSTER BANK LIMITED, New Issues Department, P.O. Box 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD, with a cheque payable to National Westminster Bank Limited for the amount of the Deposit. Cheques must be crossed "Tyne and Wear Loan."

In the case of joint applicants, all must sign and in the case of a corporation, this Form must be completed under hand by a duly authorised officer who should state his designation.

No receipt will be issued for payment on this application but an acknowledgment will be forwarded by post in due course, either by Letter of Allotment, or by return of Deposit.

OIL AND GAS NEWS

Panarctic beats the ice

BY ROBERT GIBBENS — DRAKE POINT, May 8.

PANARCTIC OIL, the Government-private industry consortium handling oil and gas exploration in the huge Arctic islands area, is flaring off gas from the F-76 offshore well at a daily rate sufficient to supply the needs of Ottawa.

Drake Point is 3,000 miles north of Calgary on Melville Island. The *F-76 production well represents a* break-through for ice and underseas technology for Panarctic, its contractors and engineering consultants. The experience gained will be vital for future development and production and for pipeline crossings.

In a one-year programme, Panarctic teams first set up a modified land drilling-rig on an icepad over 180 feet of water. The ice in winter "naturally" reached a thickness of eight inches. Then through water flooding the ice was built up to about 22 feet.

The well was drilled to its target depth of around 4,000 feet from the icepad. Equipment for the subsea wellhead, including a blow-out preventer, was then lowered into place while a 4,000 foot flowline (18 inch pipeline) was prepared and welded together onshore.

Later, during temperatures down to 40 degrees below zero (Fahrenheit), a channel was cut in the ice between the rig and a point onshore. The flowline pipe was then winched out alongside the channel, and the pipe was lifted into the water and sunk into a subseas "cutting" created by a special plough pulled along by the winch.

The pipe was finally connected with the wellhead by the winch ready for production testing.

The whole operation was carried out by remote control with the extensive help of underseas television and computer-aided calculations.

As the pipe rises through the water and ice at the shore-end, it is sunk in the shoreline and covered with a thick pad of gravel. The gas will be refrigerated as it moves through the pipe at this point so the permafrost is not affected.

The gas is being flared off at the onshore end of the pipe as part of production testing so that quantity and quality data can be detailed fully.

"*What we have shown,*" said Mr. Charles Hetherington, President of Panarctic, "is that not only do we have 12 to 15 trillion (million million) cubic feet of proven reserves in the Melville and Christian areas, but also that *we can actually produce gas from* the offshore wells with the undersea technology we have developed for these conditions. We wanted to show we have achieved producibility.

"The next step is to show the gas can be delivered to southern markets either by the LNG system with icebreaking carriers of 140,000 cubic metres capacity each, or by the *Polar Gas Pipeline* through the islands and the mainland to a point near Toronto."

It also means that Panarctic can go on drilling offshore and onshore during the whole year and improve the efficiency of its programmes.

It has four rigs in operation and recently made a new gas discovery at Roche Point, north-east of Melville Island, for its own account and partners including Imperial Oil, Exxon, Gulf Oil, and PetroCanada. *This is a new structure* and could add two to three trillion cubic feet of gas to reserves.

The Panarctic consortium was formed in 1968 just before the Prudhoe Bay discoveries in *northern Alaska. About $C600m. (£290m.)* has been spent by Panarctic and partners in the islands since.

Proven reserves of 25 to 30 trillion cubic feet are required to justify detailed planning of the *Polar Gas Pipeline,* while the smaller capacity LNG system could come on stream by 1982 if it proves feasible technically and is economic. The reserves to be tapped would be those on Melville Island.

Tysons down to £0.5m.

AFTER COLLAPSING from £337,711 to £34,094 in the first half a virtually unchanged second six months left taxable profit of Tysons (Contractors) down from £796,172 to £497,757 in 1977.

Turnover of the construction engineer dipped from £12.16m. to £10.51m., and the result is subject to tax of *£249,320 (£381,358),* and before an extraordinary debit of £68,375 (£34,000).

Earnings per 10p share are shown down from 5.10p to 4.97p. The dividend is unchanged at 2.1175p net.

York Trailer and EEC tonnage

A decision by the Government *to allow U.K. commercial vehicle* maximum gross weights to come into line with the rest of the Common Market would have a direct bearing on the welfare of York Trailer Company, formerly York Trailer Holdings. The directors hope the matter will be concluded this year, Mr. Fred Davies, the chairman, tells members.

As reported on April 14, the company expanded pre-tax profit for 1977 from £1.19m. to a record £2.74m. on sales of £36.21m. (£21.19m.) and first-quarter sales were on target for a budgeted *increase in the current year.* The net dividend is raised to 2.14p (1.94p.).

Net liquid *funds* at year end were down £1.84m. (£1.44m.) with bank overdrafts more than doubled to £1.85m. (£712,411).

Capital commitments *totalled* £462,000 (£27,000) of which £61,000 (nil) had been authorised but not contracted.

York Transport Equipment holds 60 per cent. of the equity.

The change in the company's name was made as part of a reorganisation of the group structure.

U.K. exports were up 50 per cent. to £14.14m. (£9.4m.) with a very high proportion in the form of components to trailer manufacturers around the world. An analysis of exports shows, in percentages: Americas 3 (13): Europe (excluding USSR) 23 (16): Africa 28 (26): Scandinavia 3 (4): Asia 7 (4): Middle East 23 (16): USSR 12 (20) and others 1 (1).

The commercial vehicle trailer industry in 1977 opened with promise, then burst into a boom, only to sink into stagnation in the final quarter, but the benefits of York's diversification, both in product and territory, shone through the chairman says.

The two companies recently acquired measured up to all expectations. *Under most difficult* conditions, Scammell Trailers continued its road to recovery. Retooling and plant re-organisation was set in train and this is now nearly complete and its product range is being broadened.

Anthony Carrimore had a successful year in its field of hydraulics and bodies, more than *doubling both sales and profits.* In contrast to past activities which almost entirely centred on export, this company, for the first time, made moves to penetrate the European and U.K. home market, with most encouraging first results.

Meeting, Northallerton, North Yorks, on May 23 at noon.

STEWART WRIGHTSON

Stewart Smith — the North American organisation of the Stewart Wrightson Insurance Group—has opened an office in Dallas, Texas. This brings the number of Stewart Smith offices in the U.S. to ten, and additionally there are five in Canada.

MOSS BROS.

Group pre-tax profits of Moss Bros, the tailor and outfitter, amounted to *£307,269* in the year ended January 31, 1978, compared with £372,708 in the previous year which included an extraordinary credit of £165,406.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Gannett and Combined Communications merger

BY JOHN WYLES

NEW YORK, May 8.

A NEW power in the American broadcasting and newspaper industry emerged this morning with the announcement of a merger agreement in principle between Gannett Company and Combined Communications.

The proposed deal, based on a share exchange valued at around $370m. would create one of the largest newspaper and broadcasting companies in the U.S. Although the Justice Department's Anti-Trust division said this morning it would take a preliminary look at the agreement, the merger does not appear on the surface to conflict with the department's view that combinations should be discouraged between companies competing in the same geographical markets for advertisers.

However, to-day's announcement said that the need to comply with Federal Communications Commission rules on limits of ownership, meant that they would sell one of six VHF television stations owned by the new joint company, while Combined Communications would sell its Phoenix radio stations.

Both Gannett and Combined Communications have shown themselves to be rapidly growing, acquisition-minded companies in the last few years. Combined Communication's earnings have leaped from $5.3m. in 1973 on sales of $89.8m. to $20.6m. on sales of $228m. last year. In the same period Gannett's earnings have risen from $28.8m. to $69.5m. and its sales from $297.4 to $557.9m.

The two companies said to-day that Board approvals in principle were voted at special meetings yesterday but the deal was still subject to a definitive agreement, the consent of lenders, tax rulings, shareholder approval in both companies and Government approvals for the transfer of broadcasting licences.

The combined sales of the new company will be higher than any other comparable newspaper and broadcasting company. Gannett publishes 77 daily newspapers in 30 states and two U.S. territories. It owns newsprint interests, the international research firm of Louis Harris and Associates, a television station and a radio station.

Combined Communications operates in 11 states with seven television stations and 13 radio stations. It publishes two metropolitan daily newspapers, the Cincinnatti Enquirer and the Oakland, California, Tribune. It also has outdoor advertising facilities in the U.S. and Canada. Most of Gannett's newspapers serve small and medium-sized communities and tend to have few publishing rivals for local advertising.

American Financial Corporation, an Ohio-based financial holding company, said to-day it would vote its 1.5m. shares in Combined Communications in favour of the merger.

Liberty National amends terms

BIRMINGHAM, May 8.

AT THE request of Equitable General Corporation, Liberty National Life Insurance is to hold open until the close of business on Thursday its proposed offer to acquire by merger shares of Equitable General for $50 cash per share. Liberty National stated that it had been informed that Equitable General will call a meeting of its Board of directors this week to act on the Liberty National proposal.

The Liberty National offer will also allow those shareholders desiring instalment sale treatment for income-tax purposes to take 8½ per cent. Liberty National instalment notes aggregating $50 per Equitable General share.

Strong rise at ENSERCH

WASHINGTON, May 8.

ENSERCH Corporation said a foreign subsidiary it acquired earlier this year helped to make "possibly questionable payments" to employees of a foreign Government in the past two years.

In a report filed with the Securities and Exchange Commission, the Dallas-based diversified concern said a joint venture in which the subsidiary participated made 10 payments totalling $84,000, since ENSERCH acquired it and 23 payments amounting to $172,000 before the purchase.

The subsidiary, the country in which the payments were made and the recipients were not identified. The ENSERCH unit made 50 per cent. of the payments, the report said.

In Dallas the company declined to discuss the report. According to the report filed with the SEC, the payments were made in connection with contracts totalling $10.8m., which resulted in a net loss for the unit acquired.

For the first quarter of the year, ENSERCH reports an increase in net profit from $25.6m. for the same period last year to $34m., or from $1.42 to $1.90 per share. This was accomplished on sales up at $511m. from the $404m. last time. The per share figure is reckoned prior to a three-for-two stock split which became effective on April 21.

Adjusted to reflect the split, the per share comes out at $1.26 against 95 cents.
Agencies.

Champion Spark

Champion Spark Plug says that because of an error in calculating inter-company sales it overstated first-quarter sales in its release of those results, AP-DJ reports from Toledo. The company said first-quarter 1978 sales were $189.5m. instead of $202.8m. as it had announced. Net income figures for the quarter were not affected, the company added.

U.S. ALUMINIUM PRODUCERS

A warm welcome for imports

BY DAVID LASCELLES IN NEW YORK

AT A time when most industries are being distinctly cautious about their prospects, the North American aluminium industry stands out for its optimism. The industry's leaders have even gone on record as saying that they welcome more imports of aluminium because they cannot hope to meet demand themselves.

This optimism shone through the quarterly reports from the four aluminium giants earlier this month. The message was that although the winter had proved difficult because of strikes and the weather, demand was strong and likely to grow stronger. If there were losses (as in the case of Reynolds) these were put down to technical translation, and not to problems in the industry itself.

The industry bases its faith on aluminium's cost, and on its growing acceptance. U.S. consumption of aluminium has been rising at about 9 to 10 per cent. annually since 1975, while national production has been rising at some 8.5 per cent. a year. The demand growth has brought capacity utilisation from 78 per cent. in 1975 to 88 per sent. last year.

Mr . W. H. Krome George, chairman of Aluminium Company of America, the largest producer, said at the company's last annual meeting that the pressures to increase prices in the aluminium industry will be no different from those for steel, plastics, copper or other competing materials. Aluminium, therefore, should have a good competitive position in a number of high volume markets.

The industry also believes that the use of aluminium will broaden because the metal's versatile qualities (weiht, conductivity, resistance to corrosion) become more attractive as other resources such as energy become scarcer. Aluminium is also easily recycled, eliminating much waste.

Perhaps the most gratifying development is the broader use of aluminium in the automobile industry due to the need to reduce petrol consumption.

According to Kaiser Aluminum, its use in cars has increased by 35 per cent. in the last three years. In 1978 each U.S. car produced will contain an expected 115 lbs of aluminium, and by 1985 the company expects this figure to reach 250 lbs.

Kaiser Aluminum has followed Alcoa's recent 2 cents a pound price increase in can sheet aluminium with a 4 cents a pound increase to 57 cents a pound for primary aluminium ingot. Extrusion prices will also be raised

Other large growth areas are the can market where the aluminium can's share of the beer and soft drink market last year came to exceed 50 per cent., Alcoa claims, and the commercial aircraft industry whose demand for sheet, extrusions and forgings, is high.

At a time of growing concern about energy consumption, it might have been expected that the aluminium industry's massive need for electricity in its production process was a problem, but this is not the case.

According to a study made by Merrill Lynch, the securities house, aluminium's high energy consumption is mitigated by two factors. One is that aluminium has a greater mass than steel, and can therefore be put to greater use. Another is that the U.S. aluminium industry uses mainly cheap sources like hydro-electric power, while steel uses high cost fuels like oil and coking coal.

As a result, Merrill Lynch estimates, energy costs as a percentage of revenues are about the same for aluminium and steel.

If the aluminium industry is concerned about energy, it does not show it. When it comes to resources, it is more worried about supplies of bauxite, the raw material on which aluminium is based.

At present over 90 per cent. of the bauxite used in the U.S. is imported, mainly from Latin America. But problems related to politics and pricing have made these supplies less secure, and the big companies are turning to new suppliers like Australia. Aluminium recycling is also increasing. Last year Alcoa said that it recycled 94m. lbs of cans, equivalent to the output of a whole smelting line, but at a saving of 95 per cent. of the energy needed to produce the metal from scratch.

But perhaps the greatest concern in the medium term is that the industry will simply not be able to meet demand.

A large increase in U.S. production capacity will come from a U.S.-Japanese joint venture called Alumax, linking Mitsui with Amax, the successful U.S. mining concern. In view of the expected continuing rises in aluminium prices, the two companies plan to invest some $500m. in plant able to produce over 250,000 tons a year by 1982. Together with Amax's existing capacity, this would bring Alumax up to fourth place in the U.S. league, directly behind the three giants, Alcoa, Reynolds and Kaiser.

Nevertheless, Mr. Cornell Maier, president of Kaiser Aluminum, told the recent annual meeting that the availability of supply was, in his opinion, the only serious restraint on greater aluminium consumption.

According to Kaiser estimates, he said, aluminium production capacity in the U.S. will grow by only 1.7 per cent. a year up to 1982, and in the whole of the rest of the Western world by only 4 per cent. over that period. "Because of the long lead times required to build new capacity, the likelihood of a very tight aluminium supply-demand situation in the not-too-distant future seems fairly certain," he said.

Although remarks like these have been criticised as attempts to talk up prices, no one has denied the general implication. Imports of aluminium (as opposed to bauxite or alumina) have risen steadily to the point where they now account for about 10 per cent. of domestic supply. The home industry believes that these imports must continue to rise in order to encourage the use of the metal.

This view makes a sharp contrast from that of the steel industry, which has been clamouring for an end to cheap steel imports. But the big difference is that while the U.S. steel industry is a high cost producer, the U.S. aluminium industry is still among the world's lowest cost producers. This not only means it can tolerate imports. It also expects these imports to raise the price of aluminium on the domestic market, thereby increasing its own profitability.

Seven-Up urges bid rejection

BY STEWART FLEMING

NEW YORK, May 8.

THE BOARD of Seven-Up has advised its shareholders to reject the $440m. takeover offer for the nation's third largest soft drinks producer from the tobacco and beer giant Philip Morris.

Last week Philip Morris announced a $41 a share offer for Seven-Up only to have the company say that it did not expect shareholders owning over 45 per cent. of the stock, who were related to the families which founded the company, to accept the offer.

Since then the Seven-Up shares have been trading in the over the counter market as high as $45½ and on Friday closed at $44, a clear indication that speculators are expecting either a higher offer from Philip Morris or a rival bid.

The Seven-Up Board has said that it sees the offer as inadequate. It would be taxable for Seven-Up shareholders, involving the founding families

Mr. Ben Wells, the Seven-Up chairman, said that based on assurances "given to me by members of the Board, their relatives and trusts of the company's founding families and other closely held interests," he was confident that 51 per cent. of the company's stock would not be tendered for the Philip Morris offer.

EUROPEAN OPTIONS EXCHANGE

Option	Price	July Close	Vol.	Oct. Close	Vol.	Jan. Close	Vol.	Equity close
E. Kodak	$40	12½	1	15¼	—	13½	-	$62⅜
E. Kodak	$45	8⅜	—	9½	—	10⅛	7	"
E. Kodak	$50	4½	56	5⅞	16	7⅛	11	"
E. Kodak	$60	1¼	41	2½	31	3⅜	45	"
G.M.	$50	14¼	—	14¼	—	14½	-	$63¼
G.M.	$60	4¾	—	5½	—	6	—	"
G.M.	$70	[illegible]	1	1¼	-	1½	2	"
IBM	$240	26	1	29	—	31¼		$262⅝
IBM	$260	11½	4	15	—	17	5	"
IBM	$280	[illegible]	—	8⅜	7	9½	7	"
Algemene	F330	24.00	—	15.00	—	27	-	F348
Algemene	F340	14.50	9	19.00	-	22	3	
Amro	F70	9.00		9.50	—	10.00	-	F77.50
Amro	F75	4.00	10	6.00	-	5.50	180	
Nat Ned	F100	10.50	—	12.00	3	15	1	F108.20
Nat Ned	F110	3.50		7.00	—	5		
Philips	F22.50	4.10	5	4.60	10	4.60	4	F26.80
Philips	F25.00	1.60	128	2.50	101	3.10	5	"
Philips	F27.50	0.60	60	1.60	239	1.80	250	"
R. D. Shell	F120	8.50	5	8.60	3	9.20	—	F127
R. D. Shell	F130	1.90	-	3.10	20	4.00		"
R. D. Shell	F140	0.40	—	1.10		1.80	10	
Unilever	F110	6.80		6.80		7.00	—	F115.60
Unilever	F120	1.20	-	2.00	10	2.50	—	"
Unilever	F130	0.50	—	0.60	—	1.70	—	"
		May		August		November		
BP	700p	155	—	158	—	160	—	850p
BP	750p	153	—	107	-	110	—	
BP	800p	55	—	55	—	60	—	
GEC	200p		—		—		—	250p
GEC	225p	—	—	—	—	-	—	
GEC	250p	-	-	—	—	—	—	
GEC	275p	-	—	—	—	—	—	
ICI	330p	—	—	—	—	—	—	353p
ICI	[illegible]	—	—	—	—	—	—	
ICI	350p	—	—	—	—	—	—	
ICI	375p	—	—	—	—	—	—	

Vickers to decide soon

BY ROBERT GIBBENS

MONTREAL, May 8.

Canadian Vickers the Canadian arm of the U.K. Vickers group, says a decision will be made on the bid for control of the company by Thursday morning. Canadian Vickers confirmed that the unidentified Canadian group making the bid is negotiating with the parent company in London.

The parent owns 72 per cent. of Canadian Vickers, a leading nuclear component, steel products and ship repairing company.

Canadian Vickers said that should the bid be successful, it believes a similar offer would be made to the minority shareholders.

Trading in Canadian Vickers stock has been halted for nearly a week. At the last price of $C31 a share, the market values the equity at around $C17m. ($US15m.).

CAE deal with Montupet

BY OUR OWN CORRESPONDENT

MONTREAL, May 8.

A JOINT company to produce aluminium alloy diecast engine parts has been formed by CAE Industries, of Montreal and Toronto, and La Societe Industrielle et Financiere Montupet of Nanterre, France. CAE-Montupet Diecast is 80 per cent. owned by CAE and 20 per cent. by Montupet, and first production from the plant at St. Catharines, Ontario, is expected late this year. The total amount of the investment is $C7.5m. CAE will provide the finance and management, and Montupet the technical knowhow. CAE is best known for its electronics products, but is also in the zinc castings business.

New scheme at Peat Marwick

By Michael Lafferty

PEAT MARWICK MITCHELL, the worldwide accounting concern, is to set up a new international partnership in which all PMM partners around the world will be members.

Up to now national PMM partnerships have only been bound together by co-operation agreements in what might roughly be described as a partnership of partnerships. The new scheme means that each Peat Marwick partner will a member of an umbrella partnership called Peat Marwick International, as well as an individual national partnership.

The international partnership will not trade and will be registered in Switzerland. Its secretariat, on the other hand, will be based in Canada, which supplies PMI's first secretary-general. Mr. Walter E. Hanson, chairman and chief executive of Peat's in the U.S., will be PMI's first chairman.

White Weld bond trading team to join E. F. Hutton

BY NICHOLAS COLCHESTER

MOST of the international bond trading team of the London office of White Weld, the American investment bank, is to join the international ar mof another Wall Street bank, E. F. Hutton.

The move, announced by the Geneva office of E. F. Hutton yesterday, follows the takeover of White Weld by Merrill Lynch Pierce Fenner and Smith. It is also understood that Mr. Stephen Rose, the manager of White Weld's London office, is to leave, although his next employment is not known.

Late last week it was announced that Mr. Gary Shilling, the senior economist of White Weld in the U.S., had resigned. This news was the first concrete sign of the widespread unrest in White Weld that inevitably followed Merrill Lynch's surprise takeover of the company.

White Weld's London bond trading team is leaving intact with the exception of one senior member. In all, five people will be going over to E. F. Hutton, headed by Mr. Michael Woolf and Mr. Hugh Morgan.

Meanwhile an announcement is expected imminently of Credit Suisse's purchase from Merrill Lynch of a 30 per cent. stake in Credit Suisse White Weld. Merrill Lynch acquired this stake when it bought White Weld, and has since been exploring the possibility of continuing that bank's arrangement with Credit Suisse but in vain. It is understood that Credit Suisse White Weld will retain its current name despite the fact that it will be severing its ties with Merrill Lynch-White Weld.

George Weston well ahead

TORONTO, May 8.

FOLLOWING through on its optimism at the year end, George Weston, the major Canadian foods to forest products group, reports a 250 per cent. rise in first quarter net profit to $C7.7m. (some $US6.8m.) on a sales rise from $C1bn. to $C1.1bn. ($US976m.).

This brings the net per share from 17 cents for the first period of last year to 58 cents.

Over the previous full year, the company managed to pull profits up from the $C16m. of 1976 to $C27m.

Petrol licence fee to rise

LICENCE fees for storing petrol will be increased from July 1 under Regulations laid before Parliament yesterday.

CAPITAL MARKETS

Dollar sector weakness continues

By Mary Campbell

THE dollar sector continued to weaken yesterday, while the D-Mark sector marked time. One new dollar-denominated issue was announced—$75m. for Occidental Petroleum. In the D-Mark sector, the Industrial Bank of Japan's offering has now been launched, as has a private placement for the City of Johannesburg under South African Government guarantee.

The terms of the Occidental Petroleum issue include an indicated coupon of 8½ per cent. on a seven year maturity. A purchase fund will operate to support the price if it falls below par in the second, third or fourth years. The underwriting syndicate is headed by Dean Witter, Reynolds International, Kidder Peabody and Blyth Eastman Dillon. Kidder had traditionally been lead manager for Occidental offerings but did not appear in the management group of the last Occidental issue, in January, for which Dean Witter Reynolds was lead manager.

The terms of the Johannesburg offering include a four year bullet maturity and a 7¾ per cent. coupon. Although South African entities have regularly tapped the D-Mark sector with private placements in the last year, it has been for smaller amounts at a time.

The managers of the current placement are BHF-Bank, Richard Daus and Co., Bayerische Hypotheken und Wechselbank and Dean Witter Reynolds.

The terms of the Industrial Bank of Japan offering, for which Deutsche Bank is lead manager, include an indicated coupon of 5 per cent. and a six year maturity.

Also on offer in the D-Mark sector is a DM50m. seven year convertible for the Japanese company Nippon Shinpan. Indicated coupon is 3¾ per cent. and lead manager is BHF-Bank.

Peoples Gas

Peoples Gas Company, the utility, reports second quarter net profit of $67m. (or $2.55 a share) against $57m. (or $2.31 a share) for the same period of last year. Operating revenues came to $894m., up from $554m., agencies report from New York. This brings the six months net to $105m. ($4.02 a share) against $94m. ($3.84 a share). Operating revenues for the six months come to $1.1bn. against $990m.

Balancing payments between developed countries and LDC's

BY TERRY OGG

THE PROBLEM for world monetary authorities is no longer the size of developed countries' current account deficits but the way in which these deficits can be financed and stable debt structures implemented, according to Mr. H. Forsyth, chief economist with merchant bankers Morgan Grenfell and Company Limited.

Mr. Forsyth was commenting on speeches delivered by Dr. H. J. Witteveen (managing director of the International Monetary Fund), Mr. J. H. Frimpong-Ansah (chairman of the Standard Bank of Ghana) and Mr. Roger F. Azar (director of the Banque Arabe et Internationale d'Investissement), at yesterday's Financial Times Euromarkets Conference.

The three speakers dealt with the role of both private and public institutions in the financing of the lesser developed countries. As each speaker pointed out, the lesser developed countries are not simple economies to analyse and their performance is very closely linked to world demand for agricultural products and raw materials.

"Since the 1973 Organisation for Petroleum Exporting Companies (OPEC) oil price increase, developed countries have been forced to accept that balanced current accounts are no longer possible," Mr. Forsyth said. "Interest has shifted to how the major problem here is building up a stable, lasting debt structure."

Mr. Frimpong - Ansah had touched on this point in his speech earlier in the day

"Until the LDCs develop regional trade between themselves, they will depend upon their trade with more developed countries to generate their growth. Export of primary produce and semi-manufactures to the developed world, however, exposes the LDCs to many unstable economic conditions such as deflation, increased debt burdens and reduced economic activity. Where an LDC relies heavily on international trade and does not have a sufficient reserve cushion or the means of inducing short to medium term capital inflow, a small dose of world-wide recession could set its clock back several years."

He said that a great deal has been done in recent years to promote resource transfer to the LDC's, but there still exists some feeling of disappointment because LDC needs have not been fully met by existing arrangements. The LDC's are looking for greater influence in the policy-making of institutions set up to channel funds to them, according to Mr. Frimpong-Ansah, and they are attempting to have the activities of the international institutions more directly geared to their needs. The LDC's are especially concerned about their inferior negotiating power in matters concerning their interest, particularly the worsening terms and conditions attached to loan disbursements.

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CONFERENCE

The growth in the number of development finance agencies and institutions has been far from orderly, he said, and suggested that the world should "settle down and look at the question critically, in order to evolve a more permanent approach to the resource transfer problem."

The International Monetary Fund is essentially a lender of last resort and should not be regarded as a primary source of resource transfer, Mr. Frimpong-Ansah said. However, he suggested that the Fund should review very carefully the special short-term development problems of the LDC's as distinct from their balance of payments problems, so as to determine the forms of co-operation and assistance required in so far as short and medium term needs are concerned.

He also suggested that the Fund pay more attention to the special difficulties of balance of payments management of LDC's.

Looking at the private institutions set up to assist resource transfers, he said that with very few exceptions, the general picture in LDC's was one of widespread inconvertibility and a worsened external debt situation following reverses in their balance of payments.

"Private capital still flows to LDC's but only to those who can maintain credit-worthiness," he said. "The private flows would have been much larger if the world's economic conditions had not worsened to the disadvantage of LDC's who, as a group, have no automatic devices for recycling their reserve losses."

Mr. Azar concentrated on the role that the Arab countries were playing in the provision of financial and technical assistance to the LDCs. He pointed out that although there had been a decrease in the actual value of funds provided in 1976 and 1977, the Arab world was still providing more aid, in terms of its gross national product, than most of the developed countries.

This aid programme began well before the oil price increase of 1973 and all that the price increase did was to multiply the dollar amount available for aid. He said that Arab aid peaked at U.S. $8.4bn. in 1975 but in 1977 the amount is still expected to be U.S.$7.0bn.

"I don't have the statistics but it could be argued that the indirect benefit to industrialised countries of Arab aid to the LDC's exceeds the industrialised countries' aid contributions to the LDC's."

Mr. Witteveen's comments are covered elsewhere, but essentially, he justified the IMF's dual policy of lending funds on stand-by arrangements only after the receiving Government had agreed to certain conditions.

Mr. Forsyth, in his remarks, agreed with the conditionality aspect of the IMF's loans, saying that the Fund had earned an enviable reputation for impartiality and accuracy in the field of credit assessment. But he added that while the amount of money the Fund actually gave most governments was small, it should not abandon its lending position, as the provision of funds was an important discipline for the IMF credit assessors.

The problems of the LDC's

The problems of the LDCs are very much tied up with the current account imbalances of the developed countries. These, in turn, are closely linked to distortions in the world's monetary system, a subject touched on by the Governor of Denmark's National Bank, Dr. Eric Hoffmeyer. Dr. Hoffmeyer said that the fracturing of the fixed exchange rate system was largely due to decisions by major political authorities not to abide by the rules of Bretton Woods.

هكذامت الأجل

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Boussac scheme for debt reduction

BY DAVID CURRY

PARIS, May 8.

THE FAILING French textile group Boussac has inaugurated a vital week of discussion about its future by publishing a "miracle formula" to transform its capital structure and commercial prospects.

Published as one of the group's rare press releases, the scheme is clearly designed to influence to-day's Supervisory Board meeting which is discussing the eternal subject of financial recovery and, more particularly, Thursday's shareholders' meeting which will be asked to bless a scheme to transform the group holding concern (CITF) into a company of limited liability and thus mark a clear distinction between the personal interests of the Boussac family and the industrial assets of the group.

On the personal level M. Jean-Clayde Boussac, the nephew of the 89-year-old M. Marcel Boussac, the company founder, is struggling to maintain his own position as "managing director for life" of the group under whatever new regime emerges.

At the end of 1977— a year which saw losses rise to Frs.107m. —group capital was Frs.90m. while medium and long term debts stood at Frs.266m. and short-term debt at Frs.571m. Transforming this arithmetic is the major of the tasks faced by M. Boussac, and M. Jacques Petit, the recently appointed "company doctor." They envisage increasing capital to Frs.340m., medium and long term debt to Frs.300m. and reducing short-term debt to Frs.287m. The first prerequisite is for M. Marcel Boussac and family-controlled companies, to abandon the Frs.171m. credits they have out to the group in blocked current accounts.

The second requirement is that agreement be finally reached with the state on the purchase of the Boussac horse-training estate the Haras de Jardy "for a sum in excess of Frs.150m." While the state is in principle ready to take this land, its own valuation, taking into account its unsuitability for building and the environmental opposition to development is well under the Frs.100m. mark.

Finally, the group wants the state to contribute about Frs.70m. in further loans to the enterprise and for it and the banks to convert into longer-terms debt the Frs.100m.-odd owed by way of deferred social security charges and taxes. These debts would be reimbursed by the sale of non-industrial assets of the group.

On the industrial front the loss of a further 1,600 jobs in the Vosges and the closure of five plants are foreseen to clear the way for a new effort at modernisation of equipment and product-lines.

M. Jean-Claude Boussac has presented these options as an alternative to the most widely forecast post-electoral solution—putting of the company into receivership. His task is difficult because he has to combat the scepticism of Government and banks in the light of the failure of previous definitive rescue plans.

He must also convince the Government that a new judicial structure for the group will be matched by a new spirit of professional management.

Finally—and this is by no means the least of his tasks—he has to persuade his uncle to authorise the divorce between family and firm, to waive the debts owed to him personally by the group and to accept his own final retirement from the industry.

In other words, the miracle cure will have to undergo long and sceptical analysis before it becomes a practical basis for action, although it may have the effect in the short-term of buying yet more time for the group.

Elsevier to pull out of W. H. Smith venture

By Charles Batchelor

AMSTERDAM, May 8.

ESEVIER, the Dutch publishing group, and W. H. Smith are to end their five-year-old Dutch retailing venture, Sims, because of losses running into "many millions of guilders." Sims operates seven stores in Holland selling books, records, and other leisure articles.

The retailing formula used successfully by Smith in the U.K. has not caught on with the Dutch public despite frequent changes in marketing policy, the two companies said in a joint statement. They are now studying whether the shops in Zwolle, Tilburg, Utrecht, Eindhoven and possibly Enschede can be integrated into either company. Smith has substantial interests in Holland. Talks are also under way with other companies aimed at the possible sale of the shops.

Elsevier declined to give details of the losses but said turnover of the operation was below Fls.100m. ($25m.). Sims has made losses since it was set up as a joint venture in 1973.

Our City staff writes: In London last night W. H. Smith said the joint Dutch venture had lost the company £1.25m. since its launch and £½m. in the last financial year. Sales have regularly fallen below target and have been insufficient to support high initial operating costs.

The depressed state of the *Dutch economy* was blamed while Smith said the market for the multiple's seven outlets "wasn't as big as we expected." Smith will continue to run at least one of the shops on an independent basis.

BIS QUARTERLY

Rise in third world lending

BY MARY CAMPBELL

INTERNATIONAL bank lending to less developed countries (LDCs) picked up sharply in the final quarter of last year, according to the latest data published by the Bank of International *Settlements (BIS)* in Basle. Indeed, bank lending to LDCs in the fourth quarter outstripped new deposits received by the international banking system in the fourth quarter, changing these countries from net depositors, as they had been earlier in the year, into net borrowers.

The amount of new bank lending to the LDCs in the fourth quarter was $5:7bn and new deposits received from these countries was $4.7bn., making the LDCs net borowers of $1bn. in the quarter. This $1bn. net borrowing figure, however, was not sufficient to outweigh the net deposits they had made earlier in the year—over 1977 as a whole the LDCs raised their deposits with international banks by $12.9bn. and increased their borrowing from them by $11.3bn. As the BIS ponits out, *in sharp contrast to the* previous years, non-oil developing countries were in 1977 net suppliers of new funds to the international banking system.

The BIS also notes that the figures for LDCs and those for oil exporting countries (OPEC) in 1977 hardly differ, not only as to their borrowings from the international banking system but more surprisingly as to their deposits with the international banking system. New deposits with international banks from OPEC countries amounted to $13.4bn. last year while their new borrowing was $11.3bn.

The BIS also notes that OPEC countries particularly built up their non-dollar deposits with the international banks in the last quarter of last year while the increase in their borrowing from banks was dollar-denominated.

In general the Euromarket grew at a more rapid pace in the last quarter of last year than in the earlier quarters. The BIS attributes this to three factors mainly: a re-acceleration of the underlying upward movement in banks' international lending; the weakess of the dollar on the foreign exchange markets which caused banks and their customers to build up dollar positions for investment in stronger currencies either for commercial, or, the BIS says, "for outright speculative purposes," and the customary seasonal impact of end-year, largely inter-bank operations in some European countries.

Saab expects increased sales

BY JOHN WALKER

STOCKHOLM, May 8.

SAAB-SCANIA, the Swedish truck, car and aircraft manufacturers said in its annual report that 1978 should see a growth in sales of about 10 per cent. This is based on the assumption that the business cycle is on the uptrend.

The group operating profit after depreciation will be at least on the same level as 1977 or perhaps a little higher, the report stated.

The forecast at the half-way mark last year was for lower earnings, but a remarkable recovery in the second half produced a pre-tax profit of Kr.377m. ($81m.) against Kr.309m. Sales rose by 12 per cent. last year to Kr.10.7bn., of which foreign sales accounted *for* 45 per cent.

Net adjusted earnings were Kr.34.45 per share compared with Kr.28.4 the previous year and the board proposes an unchanged dividend of Kr.11.

* * *

AGA, the Swedish industrial, heat engineering and welding concern, says progress in the early months of this year indicates total *sales of* Kr.3.5bn. ($756m.) in 1978 against Kr.2.4bn. last year.

This is a rise of 12 per cent. compared with the previous year after adjustment for the battery and military electronics companies which were sold off.

The operating profit of the AGA concern amounted to Kr.243m. ($52.5m.), up 15 per cent. on the previous year, while group sales went up 12 per cent. to Kr.2.4bn. Profit per share was to be Kr.15 and the Board proposes an unchanged dividend of Kr.5.50.

* * *

PROSPECTS FOR 1978 are not encouraging, according to the annual report of the A. P. Moeller shipping and industrial group, which said it would be difficult to find profitable employment for many of the group's fleet of tankers and bulk carriers, writes Hilary Barnes from Copenhagen.

DUTCH SHIPPING

Keeping a cool head at Nedlloyd

BY BILL COCHRANE, RECENTLY IN ROTTERDAM

BILLED AS one of the world's largest shipping and transportation groups, Nedlloyd (formerly NSU) found time recently to stress the breadth of its operations. These, briefly, take in liner and container shipping, bulk carriers and tankers and drillships; ports and specialised transport, industrial services and international transportation.

But it also bit on the shipping bullet—opening on the "present state of gloom for the maritime industry" and concluding on prospects: ". . . we consider that a substantial fall in net group profits has to be expected in 1978."

There are two ways of looking at that. First, sourly: reported net profits had already fallen from Fls.146.7m. ($66.5m.) to Fls.91.4m. in the three years to end-1977; and the coincidence of numbers in 1977 between the operating and reported net levels (see table) looks like a nice massage for a tired set of accounts.

In fairness, it should be noted that loss elimination was partly responsible for last year's jump in associate company income; that the "premium" new investment is taken into the accounts via a formula which means between Fls.27m. and Fls.28m. to the p and l through until 1982; and that tax credits are a corollary (a) of Nedlloyd's deferred tax provision, still Fls.297m. at the end of 1977 and (b) its lossmaking areas, particularly in tankers and bulk shipping.

Finally, currency fluctuations (particularly the weakness of the dollar against the guilder) knocked between Fls.10m. and Fls.15m. off net profits last year.

It might engender a warm, cosy feeling to say at this stage that the 1978 net profit may turn out better than expected; and, indeed, that any sort of profit, in shipping at the moment, is a considerable achievement. But that sort of response is conditioned by the historical pattern in shipping where, traditionally, the good years amply made up for the bad ones. Nedlloyd was getting returns of 30 per cent. to 40 per cent. on bulk carriers (pre-tax on total capital invested) before the slump into the red over 1976-77.

The question now, unfortunately, is how long the slump will be extended by world shipbuilding overcapacity. It is a sobering thought that South Korea alone could satisfy four years' world tanker demand with just one year's production; and, as Nedlloyd itself puts it, that since a large number of tanker orders were substituted by bulk carriers, there is now also a severe over supply in that branch.

	1976	1977
	(Fls. m.)	
Operating result ...	137.6	46.4
Associates income...	9.3	33.5
Investment premium	Nil	24.4
Corporate tax	(−40.2)	7.5
Net profit	102.5	91.4
Ships	1,764.6	2,367.0
Ships under Construction...	571.2	241.4
Other fixed assets	312.8	348.1
Shareholders' funds	1,668.9	1,736.1
Net debt	502.6	854.6

Luckily, Nedlloyd is by no means over-extended. Its net debt ratio, at less than 50 per *cent. of shareholders' funds*, is comfortably low in relation to its international competitors and its major ongoing investment, in eight ships under construction, is basically defensive—to maintain its market share on major liner routes.

Whether it can change its basic financial characteristics, with the preponderance of capital investment in shipping, remains to be seen. As one observer put it, the U.K.'s biggest land carrier, the National Freight Corporation, is valued at either £60m. or £100m. and the latter figure is the cost of just one LNG carrier in the shipping area.

Nedlloyd appears phlegmatic. What it comes down to, according to finance director Mr. A. van Putten, is a question of plusses and minuses. On the plus side, it reckons to have an exceptionally broad geographical spread of liner services; the associates promise more, non-shipping can expand further at relatively little capital cost and, back in shipping, it does have government subsidies in the form of the investment grant.

On the minus side, there are tankers, bulk carriers (which it plunged into very heavily in 1973-75) and one LNG carrier, which cost £70m., is laid up and has an unfortunately rapid repayment schedule for its associated borrowing.

So what of the future? Nedlloyd chairman Mr. B. E. Ruys was far too canny to go for the "darkest before the dawn" *routine, looking at this year and* next. But he seemed uncommonly relaxed when he chuckled, and concluded: "the plusses always gain in the end."

Zanussi deal confirmed

By Paul Betts

ROME, May 8.

INDUSTRIE Zanussi, Italy's leading domestic appliances group, confirmed to-day it was buying back the 20 per cent. minority share interest held by the West German AEG-Telefunken concern.

Earlier this year, the German group said it planned to sell its shareholding in the Italian company. The operation is expected to cost Zanussi some L20bn. ($23m.) which is about the same amount the West German group paid for its 20 per cent. interest in Zanussi five years ago.

Amfas growth optimism

BY OUR OWN CORRESPONDENT

AMSTERDAM, May 8.

AMFAS, the Rotterdam-based insurance company, said it expects further sound profit and turnover growth this year after the "successful development" in 1977. Net profit rose 18.8 per cent. last year to Fls.29.4m. ($13.2m.) on a 15.2 per cent. rise in turnover to Fls.1bn. Gross profit was 16.6 per cent. higher at Fls.91.5m

It proposes an unchanged dividend of Fls.5.80 per Fls.20 nominal share on capital increased by 20 per cent. the final dividend is Fls.3.80 in cash or Fls.1.60 in cash and Fls.0.50 in shares from the share premium reserve. Profit per share rose to Fls.15.39 from Fls.14.98 despite the capital increase.

Allowing for profit-sharing by policyholders and interest rate discounts, gross life assurance profit rose to Fls.32.6m. from Fls.29.8m., while premium income was 16 per cent. higher at Fls.352m. The improvement in this sector was partly due to higher investment income, while there was a gratifying portfolio growth despite the economic recession, the annual report said.

Reinsurance group formed

By John Moore

ELUMA INDUSTRIES e Comercio, a leading Brazilian conglomerate with extensive international operations, is establishing a reinsurance broking company with Willcox Baringer and Co., the oldest reinsurance broker in America, and Robt. Arnold, a U.K. based non-Lloyd's broker

The new company will promote the exchange of reinsurance business between Brazil and both the American and London markets, as well as manage on an agency basis Brazilian underwriting interests in London and New York.

Orders dip at Fischer

SCHAFFHAUSEN, May 8.

INCOMING orders at Georg Fischer AG in the first quarter of this year were ten per cent. below the level attained in the same period of 1977, general manager Robert Mayr told a press conference. This left order books little changed on the end-year level of SFrs764m., which was 12 per cent. above level at the close of 1976.

The current order book levels should however be sufficient to ensure full employment at the group's Swiss works for the rest of the year, though a modest amount of short time working "cannot be excluded altogether." During the first quarter sales of steel castings to the German motor industry have held up well but there has been a further decline in orders for wheels, reflecting lower demand for goods vehicles in the Middle East.

The company's annual report shows that it improved its balance sheet structure by repaying Sw.Frs.74m. of borrowings last year AP-Dow Jones

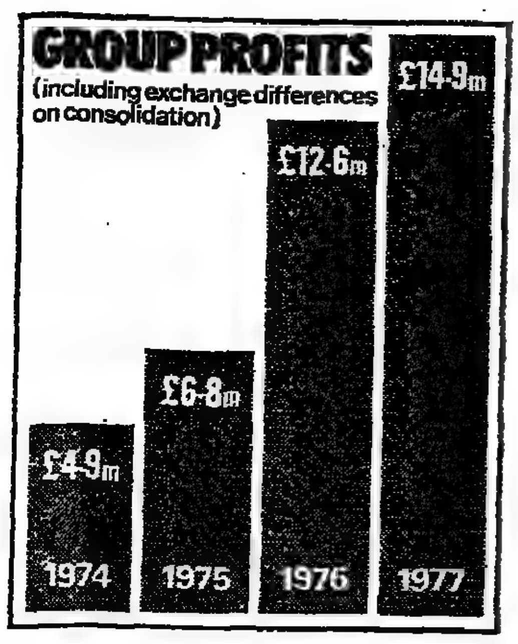
SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer
STRAIGHTS		
Alcan Australia 8¾pc 1989	96¾	97¼
AMEV 8pc 1987	97	97½
Australia 8½pc 1992	94	94½
Australian M. & S. 9½pc '92	97½	98
Barclays Bank 8¾pc 1992...	96½	97½
Bowater 9½pc 1992 ...	97½	98½
Can. N. Railway 8¾pc 1986	97	97½
Credit National 8¾pc 1986...	97½	98
Denmark 8¾pc 1984	100	100½
ECS 9pc 1993	98½	99½
ECS 8¾pc 1997	95½	96½
EIB 8¾pc 1992	96½	96¾
EMI 9½pc 1989	96	96½
Ericsson 8½pc 1989	96½	97½
Esso 8pc 1986 Nov.	101½	102
Gt. Lakes Paper 8¾pc 1984	98½	99
Hamersley 9½pc 1992	99½	100½
Hydro Quebec 9pc 1992 ...	95½	96½
ICI 8¾pc 1987	97½	98
ISE Canada 9¼pc 1986	104½	105
Macmillan Bloedel 9pc 1992	98	98½
Massey Ferguson 9½pc '91	96½	97½
Michelin 9¾pc 1988 ...	102	103½
Midland Int. Fin. 8¾pc '92	98½	99
National Coal Bd. 8pc 1987	94½	95½
National Wstmnstr 9pc '86	101	101½
Newfoundland 9pc 1989	99½	100
Nordic Inv. Bk. 8¾pc 1988	96½	99¼
Norges Kom. Bk. 8½pc 1992	97½	98½
Norpipe 8¾pc 1989	96½	97½
Norsk Hydro 8¾pc 1992 ...	96	96½
Oslo 9pc 1988	100½	101½
Ports Autonomes 9pc 1991	98½	99½
Prov. Quebec 9pc 1995 ..	95½	96½
Prov. Saskatch. 8¾pc 1986	99½	100
Reed International 9pc 1987	93	95
RHM 9pc 1992	98	98½
Selection Trust 8¾pc 1989	97	98
Skand. Enskilda 9pc 1991	99½	100½
SKF 8pc 1987	93½	94
Sweden (K'dom) 8¾pc 1987	96½	97
United Biscuits 9pc 1989 ...	98½	99½
Volvo 8pc 1987 March	93	93½
NOTES		
Australia 7¾pc 1984	95½	96½
Bell Canada 7¾pc 1987	94½	95½
Br. Columbia Hyd. 7¾pc '85	93½	94½
Can. Pac. 8¾pc 1984	99½	100
Dow Chemical 8pc 1986 ...	98	98½
ECS 7¾pc 1982	96½	97½
ECS 8¾pc 1989	95½	96½
EEC 7¾pc 1982	97	97½
EEC 7¾pc 1984	96	96½
Enso Gutzeit 8¾pc 1984	96½	97½
Gotaverken 7¾pc 1982 ..	97½	98½
Kockums 8pc 1983	97½	98
Michelin 8¾pc 1983	99½	100
Montreal Urban 8¾pc 1981	100½	101
New Brunswick 8pc 1984 ...	97½	98
New Bruns. Prov. 8¾pc '83	100	100½
New Zealand 8¾pc 1986 ..	98½	99
Nordic Inv. Bk. 7¾pc 1984	96½	97
Norsk Hydro 7¾pc 1982	97½	98
Norway 7¾pc 1982	96½	97
Ontario Hydro 8pc 1987 ..	95½	96
Singer 8¾pc 1982	100½	101
S. of Scot. Elec. 8¾pc 1981	99½	100½
Sweden (K'dom) 7¾pc 1982	97	97½
Swedish State Co. 7¾pc '82	97½	98
Telmex 8¾pc 1984	99½	100½
Tenneco 7¾pc 1987 May ...	94½	95
Volkswagen 7¾pc 1987	95	95½
STERLING BONDS		
Allied Breweries 10½pc '90	89½	90½
Citicorp 10pc 1993	90½	91½
Courtaulds 9½pc 1989	89½	90½
ECS 9¾pc 1989	93½	94½
EIB 9¾pc 1988	93½	94½
EIB 9¾pc 1992	93½	94½
Finance for Ind. 9¾pc 1987	90½	91½
Finance for Ind. 10pc 1989	91½	92½
Fisons 10½pc 1987	94	95
Gestetner 11pc 1988	93½	94½
INA 10pc 1988	90½	91½
Rowntree 10¾pc 1988	89½	90½
Sears 10¾pc 1988	90	91
Total Oil 9¾pc 1984	93	94
DM BONDS		
Asian Dev. Bank 5¾pc 1988	97	97½
BNDE 6¾pc 1986	97	97½
Canada 4¾pc 1983	98½	99
Den Norske Id. Bk. 6pc '90	96	96½
Deutsche Bank 4¾pc 1983	96	96½
ECS 5¾pc 1990	96	96½
EIB 5¾pc 1990	96	96½
Elf Aquitaine 5¾pc 1988 ...	95	95½
Euratom 5¾pc 1987	98½	99½
Finland 5¾pc 1986	98	98½
Forsmarks 5¾pc 1990	95	95½
Mexico 6pc 1985	95½	96½
Norcem 5¾pc 1989	100	100½
Norway 4¾pc 1983	99½	100½
Norway 4¾pc 1983	97½	98½
PK. Banken 5¾pc 1988	95½	96½
Prov. Quebec 6pc 1990	97½	98
Rautaruukki 5¾pc 1988 ...	96½	97½
Spain 6pc 1988	95½	96½
Trondheim 5¾pc 1988	97½	98½
TVO Power Co. 6pc 1988...	97½	98½
Venezuela 6pc 1988	97½	98½
World Bank 5¾pc 1990 ...	98½	99½
FLOATING RATE NOTES		
Bank of Tokyo 1984 7 13/16 pc	99½	100½
BFCE 1984 8¾pc	99½	100½
BNP 1983 8 1/16 pc	100½	101½
CCF 1983 8pc	100	100½
CGMF 1984 7¾pc	99½	99½
Creditanstalt 1984 7¾pc ...	99½	100½
Credit Lyonnais 1982 8pc...	100	100½
DG Bank 1982 7 13/16 pc	100½	100½
GZB 1981 8 1/16 pc	100½	101½
Intl. Westminster 1984 8pc	99½	100½
Lloyds 1983 7¾pc	100½	100½
LTCB 1983 8pc	99½	100½
Midland 1982 8pc	101	101½
Midland 1987 7 11/16 pc	99½	100
OKB 1983 7¾pc	100	100½
SNCF 1985 8¾pc	99½	99½
Std. and Chtrd. '84 7 11/16 pc	99½	100½
Wms. and Glyn's '84 8 1/16 pc	99½	100½

Source: White Weld Securities.

	Bid	Offer
CONVERTIBLES		
American Express 4¾pc '87	88½	90
Ashland 5pc 1988	95½	97
Babcock & Wilcox 6¾pc '97	102½	103½
Beatrice Foods 4¾pc 1992...	98	99½
Beatrice Foods 4¾pc 1992 .	105	107
Beecham 6¾pc 1992	96½	97½
Borden 5pc 1992	100½	102
Broadway Hale 4¾pc 1987...	79	80½
Carnation 4pc 1987	78	79½
Chevron 5pc 1988	135½	136
Dart 4¾pc 1987	80	81½
Eastman Kodak 4½pc 1988	85	86½
Economic Labs. 4¾pc 1987	78	79½
Firestone 5pc 1988	82½	84
Ford 5pc 1988	91	92½
General Electric 4¾pc 1987	86½	88
Gillette 4¾pc 1987	77	78½
Gould 5pc 1987	111	112½
Gulf and Western 5pc 1988	77½	79
Harris 5pc 1992	166	168
Honeywell 6pc 1986	88½	90
ICI 6¾pc 1992	87½	88½
INA 6pc 1997	95	96½
Inchcape 6¾pc 1992	115½	117
ITT 4½pc 1987	83	84½
Jusco 6pc 1992	116	117
Komatsu 7¾pc 1990	126	129
J. Ray McDermott 4¾pc '87	154½	158½
Matsushita 6¾pc 1990	170	171½
Mitsui 7¾pc 1990	121½	122½
J. P. Morgan 4¾pc 1987 ...	98	99½
Nabisco 5¾pc 1988	101	102½
Owens Illinois 4½pc 1987 .	115½	117
J. C. Penney 4½pc 1987	79½	81
Revlon 4¾pc 1987	113½	115
Reynolds Metals 5pc 1988	86½	88
Sandvik 6¾pc 1988	112	114
Sperry Rand 4¾pc 1987	92½	94½
Squibb 4¾pc 1987	82	83½
Texaco 4¾pc 1988	83	84½
Toshiba 6¾pc 1992	150	151½
Ty Co 5pc 1984	78½	78½
Union Carbide 4¾pc 1982 ...	96	97½
Warner Lambert 4¾pc 1987	85½	87
Warner Lambert 4¾pc 1988	78	79½
Xerox 5pc 1988	80	81½

Source: Kidder, Peabody Securities.



INTL. FINANCIAL AND COMPANY NEWS

Zaire company funded by Tokyo

TOKYO, May 8.

SEVEN JAPANESE companies have agreed to supply special financing totalling Y3.5bn. ($15½m.) to Compagnie de Development Miniere du Zaire (Codemiza), in which they are shareholders, Japanese copper smelters said.

The money will be used to cover Codemiza's deficit in fiscal 1977, which ended last March, stemming from a world copper market slump, they said.

Codemiza operates a venture company, Societe de Development Industriel et Minere du Zaire (Sodemiza), jointly with the Zaire Government.

Sodemiza produces 27,000 tonnes of copper ore annually in terms of copper content for supply to Japan, the smelters said.

The seven are Nippon Mining, Mitsui Mining and Smelting, Mitsubishi Metal Corporation, Sumitomo Metal Mining, Down Mining, Furukawa Mining and Nissho-Iwai Company.

Reuter

Advance at Boustead

By Wong Sulong

KUALA LUMPUR, May 8.

BOUSTEAD Holdings boosted its pre-tax profits by 75 per cent. last year to 15m. ringgits ($6.3m.) and is declaring a scrip issue for the second successive year.

Last year, Boustead declared a one-for-one scrip issue, doubling its paid-up capital to 21m. ringgits, and it is proposing to make a one-for-ten issue in June, following the improved results. The new issue will not, however, receive the final 12.5 per cent. dividend.

A substantial part of the group's profits come from its plantation subsidiary, Malakoff Berhad, which reported a 1977 pre-tax profit of 8.2m. ringgits last year (4.06m. ringgits).

The parent investment company lifted its pre-tax profits from 3.1m. ringgits to 4.5m. ringgits.

Good year for Esso Malaysia

By Our Own Correspondent

KUALA LUMPUR, May 8.

ESSO MALAYSIA Berhad, an associate of Exxon Corporation, increased net profits to 6m. ringgits ($US2.5m.) last year from 3.4m. ringgits in 1976.

The company pointed out that a substantial part of its profits, amounting to 5.4m. ringgits before tax came from gains in foreign exchange arising from the fall in the U.S. dollar, which made for cheaper oil imports.

The company also made a gain of 2.6m. ringgits pre-tax through a change in the basis of providing for its annuity benefit scheme.

A final dividend of 20 per cent. is declared, bringing the year's total to 25 per cent., against 18 per cent. previously.

Barrel sales rose by only 6 per cent., to 13.7m., compared with an increase of 14 per cent. in 1976. Its refinery at Port Dickson processed almost 12m. barrels, because of a plant turnaround, and this was marginally lower than in 1976.

However, an extended turnaround at its ammonia plant caused a 16 per cent. fall in ammonia production to 43,500 tons.

The company's profits were affected, as in the past few years, by a fixed price contract to supply fuel to the National Electricity Board at $US12.3 per barrel. However, this contract ends in August, and the end of this heavy burden should be reflected in the company's results for this year.

Drop in demand hits FELS

By H. F. Lee

SINGAPORE, May 8.

THE RECESSION in the shipbuilding industry has hit the leading Singapore ship and rig builder, Far East-Levingston Shipbuilding Singapore (FELS).

For the year ended December, group pre-tax profit fell sharply, to S$9.6m. ($U.S.4.1m.). In 1976, group pre-tax profit reached a record S$72.5m., despite the poor demand for ships and rigs.

At the post-tax level, group profit was S$4.1m., against S$5.4m. previously.

Mr. P. H. Meadows, the chairman, attributed the downturn to the acute fall in demand for ships and rigs, and under-utilisation of shipyard capacity.

This also necessitated a cutback in operations, and in the workforce.

As a result of the lower profit, FELS is to cut its proposed dividend payment by 5 percentage points to 20 per cent.

Mr. Meadows also painted a bleak outlook for the group's operations.

"For the future, the opportunities for ship orders from Europe and for that matter, elsewhere are poor, mainly as a result of protectionist policies adopted in Europe, aggravated by the fall-off in demand, overcapacity, and fierce competition.

"Moreover, relative newcomers to the industry such as Korea and Third World countries are confounding the market with prices that are still lower than the lowest hitherto," he said.

For the current year, FELS has budgeted for a production revenue "lower than in past years."

Mr. Meadows gave no profit forecast for 1978 but he appeared to indicate another sharp reduction in profitability.

LURIE RESIGNS FROM PRIMROSE

End of a colourful era

BY RICHARD STUART IN JOHANNESBURG

DAVID LURIE, who recently resigned as chairman of Abercom, has now left the Board of Primrose Industrial Holdings. This action is a widely expected sequel to the market operation launched by the Natal-based sugar group, Tongaat, in which it secured 33 per cent. of Primrose shares and gained proxies over sufficiently more shares to give it control. When Tongaat disclosed its hand, it was announced that Mr. Lurie would be relinquishing his chairmanship of Primrose but would be staying on the Board.

The resignation from the Primrose Board closes a colourful chapter in South African business history. Mr. Lurie and his partner, Mr. Murray McLean, originally backed by Jim Slater, developed Abercom from a shell into a thriving conglomerate which was accepted by the investment community as one of the leading industrial counters.

In the course of its conglomerate growth, Abercom acquired the principal Transvaal-based brick group which it reorganised under the Primrose banner. Lurie and McLean soon realised that the cyclical nature of Primrose's earnings could upset the smooth progress of Abercom's own earnings record and, in 1973, split Primrose from Abercom, leaving shareholders with a share in each separate entity.

In early 1976, McLean severed his connections from the twin companies, leaving Lurie at the helm of both. Lurie, a restless innovator, kept expanding late into the business recession and the profitability of both companies is now being affected.

In the heat of battle for control of Primrose, the Board, at the request of the Johannesburg Stock Exchange, suspended the company's quotation on the strength of negotiations to acquire a small anthracite producer, Aloe Minerals. Despite the change of control, agreement in principle for the acquisition of Aloe has now been agreed at a price of R2.75m. An undisclosed minority holding in Aloe will be sold to a third party.

Aloe was 50 per cent. owned by the Rembrandt Group, and was acquired before the latter took a substantial minority interest in Federale Mynbou, the holding company for General Mining and ultimately of Union Corporation. With its mining interests concentrated in Federale Mynbou, Aloe became peripheral to Rembrandt's interests.

Aloe will contribute 6c a share to Primrose's annual earnings, suggesting that Aloe was bought at a little over three times taxed earnings. Primrose earned 4.6c a share in the six months ended December, 1977, after earnings of 19c a share for the full year ended June, 1977. After-tax profits for the half-year were R0.5m., on turnover of R14.3m.

Primrose shares have not yet been relisted on the stock exchange, although dealings are due to recommence to-morrow.

Hong Kong SE merger move

BY ANTHONY ROWLEY

HONG KONG, May 8.

THE FORM of the proposed merger of Hong Kong's four stock exchanges has become clearer with a decision to form, in effect, a new holding company which will absorb the existing exchanges.

The government-supervised working party on unification has agreed that a company to promote the merger be registered as soon as possible.

Initial subscribers to the new company will be the four existing exchanges—the Hong Kong stock exchange, the Far East exchange, the Kowloon exchange and the Kam Ngan exchange. The working party will become the executive committee of this merger vehicle.

A sub-committee is to be set up, meanwhile, to examine the most pressing problem for the proposed new exchange: that of finding a suitable site or premises.

The new company will be registered in the name of a unified exchange—this has yet to be decided—by the Hong Kong federation of stock exchanges, and the Chairman of the Federation, currently Mr. Peter Chan, Chairman of the Kowloon exchange, will head the company.

Despite some groundwork on unified listing and trading rules by the Hong Kong stock exchange, there has been little progress so far towards unification, and there are doubts on whether the original merger target date of January, 1980 can be met. The government has threatened legislation unless progress quickens on a voluntary merger, however, and the latest move has to be seen in this light. Meanwhile, the four exchanges are having talks on sharing trading floors, as a first step towards full merger.

Mass Transit note offer

BY OUR OWN CORRESPONDENT

HONG KONG, May 8.

MASS TRANSIT Railway Corporation is offering $HK250m. (some $U.S.54m.) of five-year notes, with a 6¾ per cent. coupon to banks and deposit-taking companies here, on a tender basis.

The notes, which are not being offered to other types of financial institution or to the public will have an issue price of not less than $HK98 per $HK100, and will be in denominations of $HK250,000. Tenders are open until May 12.

The issue will be redeemable in 1983, although the MTRC retains the right to redeem them before then at three months notice, and at par. Principal on the notes, but not the interest, will be guaranteed by the Hong Kong Government. Interest will be paid gross, without deduction of Hong Kong's 15 per cent. interest tax.

Hong Kong's mass transit railway project is due to begin operations from September next year. Phase-1, linking Hong Kong island with the new territories, is due to cost $HK5.8bn. ($U.S.1.25bn.) although a second phase is expected later, and a third phase is possible.

It is unclear whether the proceeds of the current note issue will be used towards financing phase-2 or towards redeeming existing debt of the MTRC. Bankers here favour a major, long-term bond issue by the corporation while the banks have the liquidity to subscribe.

Kowloon Wharf conversion

HONG KONG, May 8.

HONG KONG and Kowloon Wharf and Godown Company is to exercise its right of compulsory conversion of its outstanding 8 per cent. convertible loan stock, 1985.

According to Hong Kong Stock Exchange statistics, $HK108.98m. of the original $HK120m. issue is still outstanding.

Under the terms of the issue, the company is entitled to convert the stock into ordinary shares if the closing price of its ordinary shares on the Hong Kong stock exchange exceeds 150 per cent. of the conversion price of $HK12 for five consecutive trading sessions.

The effective conversion date will be June 30, the company said.

At the conversion price of one ordinary share per $HK12 nominal of loan stock, the conversion will involve the issue of 9.08m. ordinary shares, raising issued ordinary capital to 95.81m. $HK10 nominal shares from 86.73m.

The ordinary shares have traded actively in recent weeks at around or above the $HK18 level on takeover speculation.

Interest payable on the outstanding loan stock this year would have totalled $HK8.7m. The company paid dividends for 1977 totalling 65 cents per ordinary share.

Reuter

Morgan Guaranty in Malaysia

BY OUR OWN CORRESPONDENT

KUALA LUMPUR, May 8.

MORGAN GUARANTY has taken a 30 per cent. stake in a small Malaysian bank owned by Fleetprint Sdn. Berhad, giving the U.S. bank openings in the Malaysian wholesale banking market.

Fleetprint bought the entire stake in the Ban Chiang Bank last year, and has had earlier links with Morgan Guaranty.

The chairman of Fleetprint, which controls the New Straits Times publishing group, is Junus Sudin, who is also chairman of the Malaysian Mining Corporation, the Pernas-Charter Consolidated joint venture.

Last year, Morgan Guaranty was appoined by Pernas as its advier in the reorganisation of its tin companies.

Barclays National net hit by tax rise

By Richard Stuart

JOHANNESBURG, May 8.

OPERATING profits at Barclays National Banks, which is 64 per cent. owned by Barclays International, increased by 17 per cent. from R22.6m. to R26.5m. ($30.5m.) in the first half of the current financial year. But a jump in the tax rate from 35 per cent. to 40 per cent. meant a lower rise in after tax profits, which are 9 per cent. higher at R16m. compared with R14.7m. the previous year.

A generous hike in the interim dividend from 10 cents to 13 cents has lowered cover from 2.8 to 2.3 times. The 13 cent dividend is a repeat of last year's final.

The bank said that profits went up despite the continuing high level of business failures. Should the difficult economic conditions persist and further failures occur, however, earnings growth in the second half could be affected. In the last full financial year, to September, 1977 a provision of R11m. was made for doubtful debts over and above normal provisions. Of this amount, R7.5m. was charged against first half profits. As the bank has not disclosed the extent of the bad debt provision for the half year just completed, the direct comparison of profit figures is obscured.

The lower tax rate last year resulted from investment allowances on increased leasing business in the Western Bank subsidiary. This reduced rate was expected to apply again this year. But while the tax rate is perplexing, the increased interim dividend is at the upper range of market expectations, and the share continues to trade close to its two year high, and yields a prospective 7 per cent.

Ovenstone gain

OVERSTONE INVESTMENTS, the South African fishing group reports net attributable profits are up from R2.7m. to R2.9m. for 1977-78, writes Richard Stuart from Johannesburg.

The dividend is 6 cents against 5 cents previously.

Commercial Union
Assurance Company Limited

The Board announces estimated and unaudited profits for the 3 months to 31st March 1978 of £18.9m. (1977 £11.5m.) after providing for taxation. These results cannot be taken as a guide for the year as a whole.

	3 months to 31st March 1978 Estimate	3 months to 31st March 1977, Estimate Restated Note (a)	Year 1977 Actual
	£m.	£m.	£m.
PREMIUM INCOME	334.0	357.1	1,072.5
Investment income	33.5	32.0	127.7
Life profits	3.5	3.0	14.2
Underwriting loss	(2.3)	(11.2)	(30.9)
Loan interest	(5.1)	(5.8)	(21.2)
PROFIT BEFORE TAX	29.6	18.0	99.8
Taxation and minorities	(10.7)	(6.5)	(32.2)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	18.9	11.5	67.6
EARNINGS PER SHARE	4.60p	3.67p	19.40p
SHAREHOLDERS' FUNDS	£598m.	£423m.	£564m.

Notes

a) The results for the 3 months to 31st March 1977 have been restated to allow for the change, during the latter part of last year, in the Company's accounting policy for deferred taxation.

b) The results of the Company's overseas operations have, as usual, been converted at rates of exchange prevailing at the close of the periods reported above.

World-wide premium income in sterling terms shows a reduction of 6%. However, after allowing for changes in rates of exchange and the effect of the sale of the Austrian and German companies in 1977, there is a growth in premium income of approximately 3%.

In the United Kingdom there has been an improvement in experience in most classes of business except fire. The cost of the severe winter storms on the fire account amounting to £3m. has been charged to the extreme weather provision.

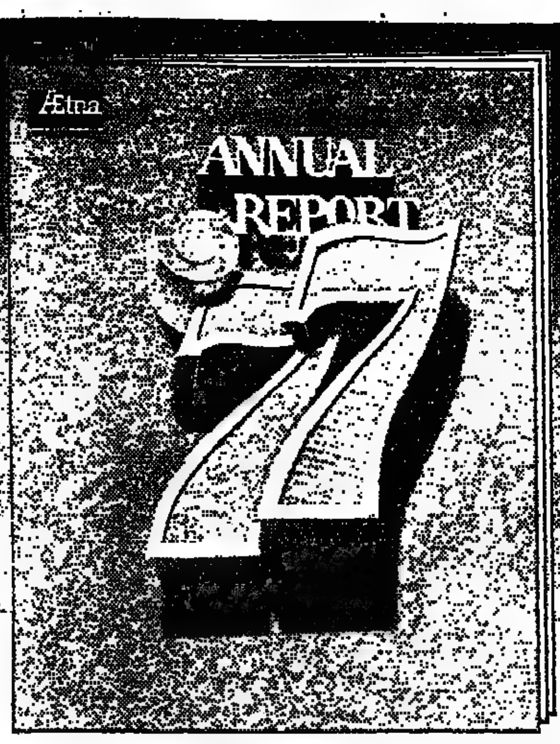
The underlying improvement in the United States has continued with motor, liability and workers' compensation classes all contributing to the improvement. There were heavy winter storm losses in the first quarter which particularly affected the fire class. The statutory operating ratio was 99.0% compared with 107.4% for the same period last year.

In Australia underwriting was markedly less profitable due to severe competition, particularly for fire business. Canada has continued to make a small profit under the limitations imposed by the Anti-Inflation Board.

The underwriting result in the Netherlands has remained unprofitable, but most of the effect of rate increases already approved for 1978 has still to come.

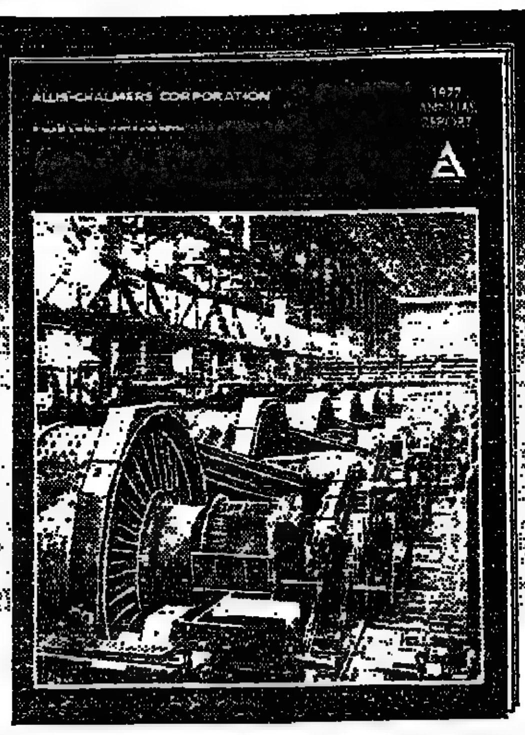
In marine and aviation business there is no lessening of competition in the London market, but the 1976 underwriting year, when closed at the end of 1978, is expected to produce a profit.

Insure with Commercial Union Assurance



Ætna Life & Casualty

Aetna Life & Casualty—largest investor-owned insurance organization in U.S., with interests also in business financing, real estate development and investment management. 1977 earnings reached new high of $418 million or $7.76 per share on revenues of $8.1 billion. Assets and shareholders' equity grew to $20.8 billion and $38.00 per common share, respectively. Annual dividend per common share increased to $2.20 with May 15, 1978 payment; fourth increase in last five years.

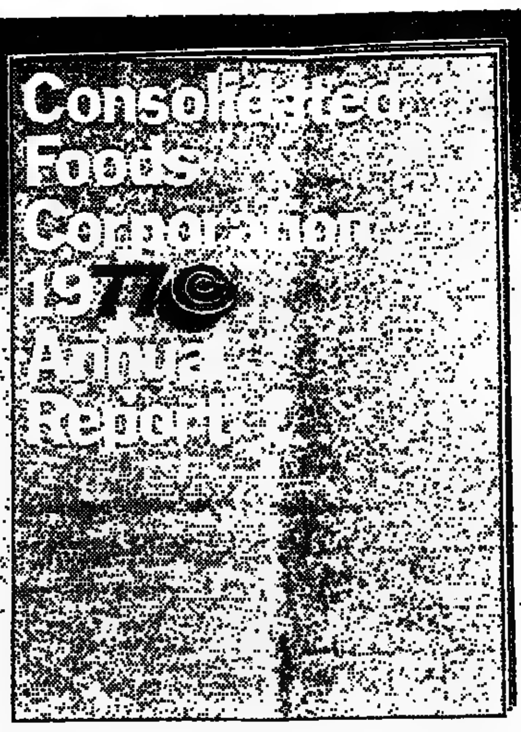


Allis-Chalmers Corporation

A special machinery company serving diversified equipment needs worldwide for processing of solids, liquids and gases; agricultural production; and material handling and lawn and garden applications. Jointly-owned affiliates provide electrical equipment and construction machinery. Per share 1977 earnings were a record $5.52, up 22% from 1976. Sales in 1977 were $1.538 billion. Current annual dividend rate: $1.30. Return on shareholders' equity: 12.9%.

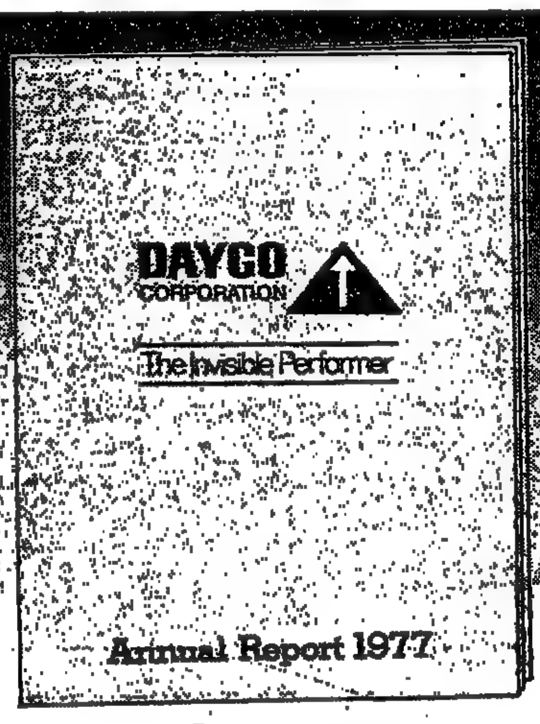
Ametek Inc.

AMETEK (NYSE Symbol—AME) a diversified manufacturer of industrial materials and equipment—and a leader in pressure instruments, appliance motors, winery and other process equipment—AMETEK reported sales of nearly $300 million in 1977. Earnings—a record for the sixth consecutive year—were up 21% to $17.2 million or $3.32 per share. In 1977 AMETEK continued its 28 year record of dividend increases, now paying $1.60 per share, a 5% yield on its 5.2 million shares which were recently trading in the $30-32 range.



Consolidated Foods Corporation

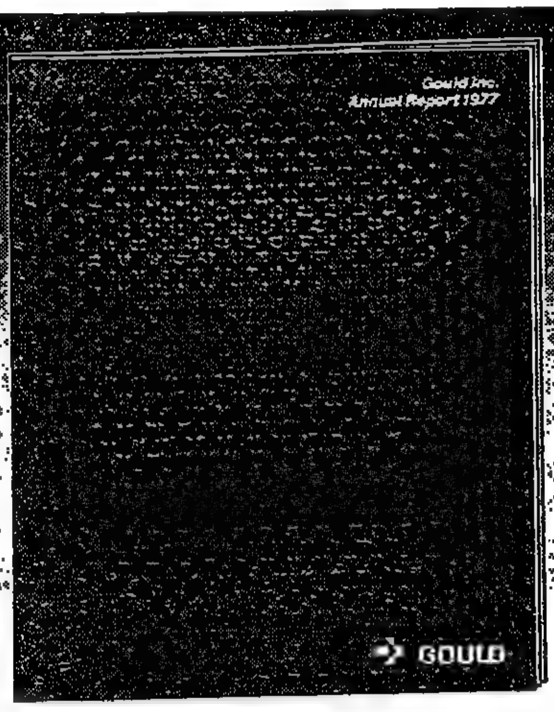
Record sales of $2.89 billion and record earnings of $88.1 million highlighted Consolidated Foods Corporation's fiscal 1977. The corporation will build upon its already solid base and continue to improve key areas. Emphasis will be directed towards new product development, geographic expansion, penetration of new markets and aggressive marketing programs.



Dayco Corporation

Fiscal 1977 was the most successful year in Dayco Corporation's (DAY-NYSE) 72-year history. Total sales were $573.4 million. Consolidated net income was $13.6 million. Since 1971, Dayco's earnings increased an average of 20% on an average sales increase of 11%.

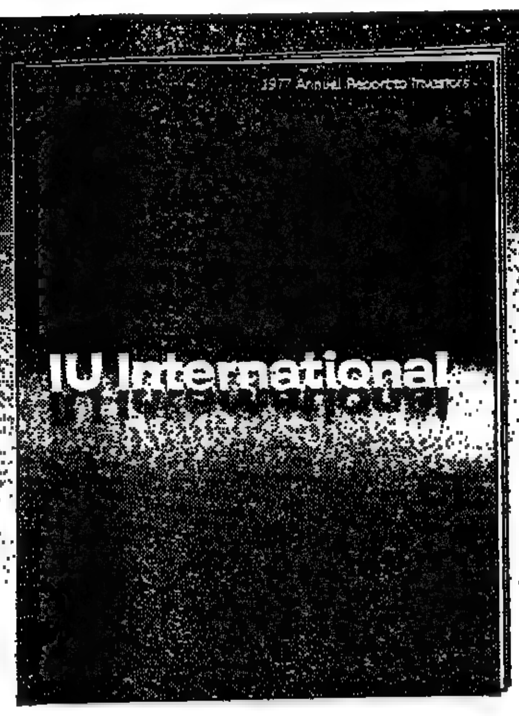
Dayco, 360th among the Fortune 500, manufactures and distributes thousands of components and replacement parts vital to most industries.



Gould Inc.

In 1977 Gould achieved a new record of $1.6 billion in sales and over $93 million in net earnings.
Earnings per share rose 12% to $3.72.

Gould Inc., headquartered in Rolling Meadows, Illinois, is an international developer and manufacturer of electrical and industrial products.

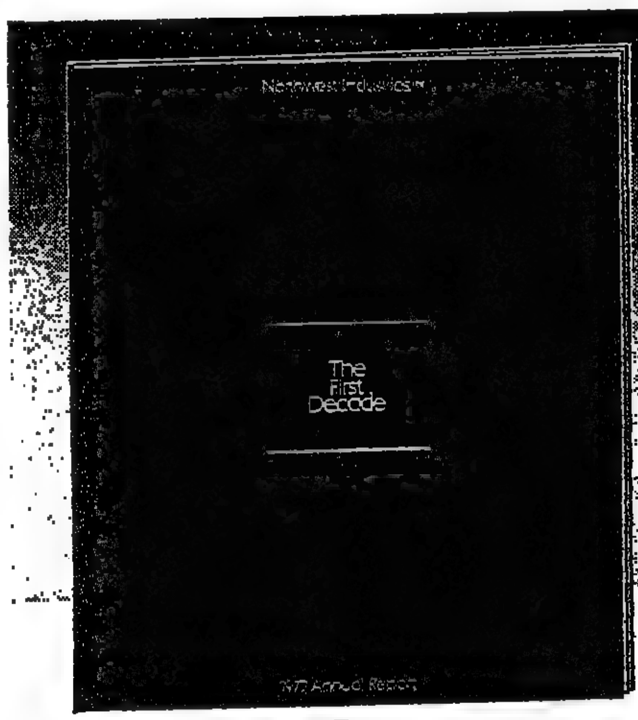


IU International

IU International is a diversified company with major interests in land transportation, ocean shipping, utilities, industrial products and services, distribution services, and agribusiness. Earnings in 1977 were $59.2 million, or $1.75 per common share on revenues of $2.3 billion. IU's dividend payout—90 cents per common share in 1977—increased for the 33rd consecutive year. (NYSE Symbol: IU)

Nabisco, Inc.

Nabisco, Inc., a worldwide consumer products company, is best known as a manufacturer of quality cookies, crackers and snack products. Nonfood products include popular toiletry and pharmaceutical brands, as well as household accessory items.

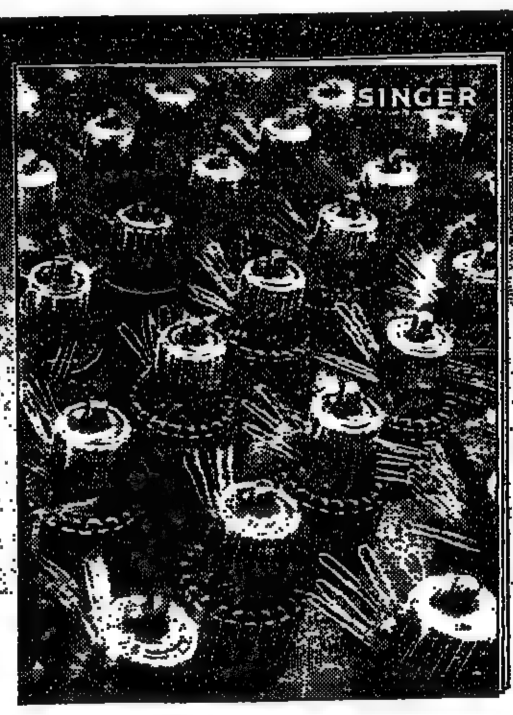


Northwest Industries, Inc.

Northwest Industries—diversified—serving basic industrial, chemical and consumer markets in the United States—earning $129.4 million, or $8.40 per share, on sales of $1.9 billion in 1977—compounding earnings at 20% a year since 1968 and earnings per share at 25.9%—returning 20.3% on average common equity and 13.8% on average total capital—and paying a dividend of $2.85.

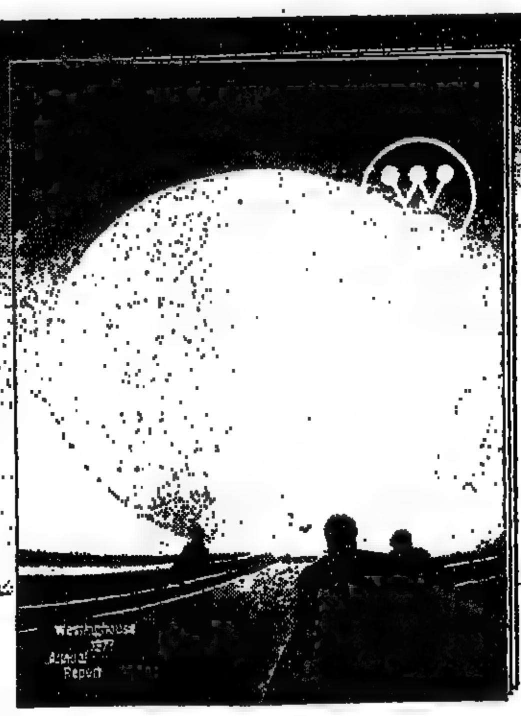
Pullman Inc.

Pullman Incorporated, a diversified, multinational corporation with annual revenues exceeding $2 billion, primarily engaged in the engineering and construction of industrial and process plants and the manufacture and leasing of transportation equipment.



Singer

Singer sales reached $2.3 billion in 1977 and income from continuing operations increased 27% over the prior year to $74.5 million. Singer stands at the forefront of technology in products ranging from sewing machines to simulators. Primary direction for development in the next 5 years will be through electronic applications to existing products in the company's three basic product areas: Sewing Products, Products Manufactured for the Consumer and Products and Services for Government.



Westinghouse Electric Corporation

1977 was the third straight year of record earnings—$2.86 per share (including $.24 provision for several uranium suit settlements)—up from $2.54 in 1976.

Wide range of equipment to generate, transmit and utilize electricity efficiently. Worldwide servicing.

Technology and market leader in nuclear power.

Many products to help large energy users conserve fuel, reduce electric bills.

The facts and figures behind 12 major US corporations

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☐ Nabisco, Inc.
☐ Northwest Industries, Inc.
☐ Pullman Inc.
☐ Singer
☐ Westinghouse Electric Corporation

Name__________ Position__________
Company__________ Address__________
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9/5/78

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Interest rate fears hit early rally

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 8.

STOCK PRICES moved higher in active trading, but some early gains were lost later. Investors were encouraged by indications that the price of OPE oil will not rise for the time being. But they feared rising interest rates could trigger profit-taking later on.

The Dow Jones Industrial Average after rising about five points early on was just 2.60 ahead at lunch time. Utilities were up 0.10 at 105.95 and Stakes were ahead 0.46 at 287.19. But Transports were fractionally lower.

Closing prices and market reports were not available for this edition.

Airline stocks were among the NYSE actives, with Pan American unchanged at $7⅞, Eastern Air Lines rising ⅛ to $10⅜ and Western Air Lines moving up ⅛ to $11⅛.

Gannett declined 25 cents to $42¼. The company agreed to merge with Combined Communications, trading in which was halted on the big Board.

Among gainers, Pet Inc. rose $2 to $42, Teledyne $2 to $98⅜ and J. Ray McDermott ⅜ to $27¼. NCR advanced $1 to $52¼, Fairchild Camera rose $1⅛ to $33⅞ and Burroughs was up $1 at $68⅞.

Prices were higher on the American Stock Exchange, with the Amex index gaining 0.76 to 140.65. Volume approximated 2.5m. shares.

Total Petroleum, topping the actives, rose ⅛ to $10 and Macrodyne picked up ⅛ to $1½.

IBM fell $2 to $260½ and actively traded Squibb declined $1⅛ to $28⅛.

OTHER MARKETS

TOKYO—Share prices closed lower in limited trading, led by export-orientated issues. The Tokyo SE index closed at 413.08, down 1.19.

Electricals, Vehicles and Cameras fell on sporadic liquidation and profit-taking in the absence of fresh market factors. Sony fell 20 yen to Y1,820, Pioneer Y60, Y1,860, Toyota Motor Y11 to Y986 and Olympus, Y22 to Y736.

CANADA—Share prices remained higher in active mid-day trading. The Toronto Composite Index was up more than two points with oil and gas and merchandising leading the advance. Gains outnumbered losses 167 to 126. OPI "A" rose 25 cents to $10⅜ and Shaw Pipe Industries added ⅛ to $7⅛ after both had reported higher earnings. British Columbia Packers "A" gained 2 cents to $47, Cara Operations $1.50 to $15⅛, Home Oil "A" $1.25 to $42 and Consumers Distributing ⅛ to $11⅜. Hudson's Bay Oil rose 75 cents to $42⅛, Canadian Occidental Petroleum ⅛ to $18⅛ and Bow Valley ⅜ to $27⅜.

In Montreal, share prices were also firmer with Industrials and Banks higher but Papers lower. Inco "A" at $18⅜ and Rio Algom at $30⅛ rose ⅛ while Alcan Aluminium at $31⅛, Cominco at $27⅛ and Canadian Imperial Bank at $28 picked up 25 cents. But Noranda "A" dropped ⅛ to $25⅞.

PARIS—The market was mixed in very quiet trading with the fall in Call Money from 8⅛ per cent. to 8⅛ per cent. having little impact. Banks, Foods and Oils were generally easier while Rubbers and Stores ruled firmer. Pernod-Ricard gained following announcement of higher 1977 dividends. Pechiney Ugine Kuhlmann shed Frs.1 to Frs.89 after announcing little changed first quarter sales. Moet Hennessy lost Frs.13 to Frs.487 and Legrand fell Frs.15 to Frs.1,750. Cie Bancaire declined by Frs.10 to Frs.316 and Poclain was Frs.6 weaker at Frs.197. Carrefour fell Frs.19 after dividend payment and Radio Technique lost Frs. 8.

BRUSSELS—Share prices were mixed in lively trading. Vieille Montagne lost B.Frs.10 to B.Frs.1,695 but FN put on B.Frs.5 and Electrobel B.Frs.20 to B.Frs.6,680. Union Miniere was a weak spot losing B.Frs.8 but UCB put on B.Frs.38. Cockerill, which said its first-quarter results were still bad rose, while Sofina, EBBES, Bruxelles Lambert, Electrafina and Asturienne fell. Petrofina and American Petrofina rose, but Canadian Petrofina fell.

AMSTERDAM—Shares were firmer, particularly in the Transport sector, where Van Ommeren rose 7.3 guilders to Fls.117.3 and KLM Fls.4.80 to Fls.146. Internationals were higher, led by Hoogovens up Fls.2.50 and Royal Dutch up Fls.1.10. In Banking ABN gained Fls.5.50 and Amro Fls.1.30, but NMB was down by Fls.1. Losses against the trend were also recorded by Gist Brocades, Bijenkorf and Naarden. Philips put on Fls.1 to Fls.26.1. State loans were firm.

FRANKFURT — Shares were mixed to weaker on balance, with no new influences on trading. In Chemicals, Schering gained DM2.50 while Demag rose DM3.50. In Banks Deutsche Bank lost DM1.70 and Dresdner shed DM1. American Express Company shares were floated at DM77 per Common share. MAN and Münchener Rückversicherung both shed DM2. Preussag and Neckermann, each slipped by DM1 but Süd Zucker was a firm spot putting on DM3. Public authority bonds were up to 30 pfennigs weaker.

COPENHAGEN—Mixed with a higher bias in moderate dealings. Banks were higher and Insurances unchanged. Commodities, Shippings and Industrials all finished mixed.

ZURICH — Prices were irregularly higher in quiet dealings. The market drew some support from the firmness of the dollar, which generated some speculative buying of Bearer Shares on expectations of a possible future lifting of the share purchase ban on foreigners. Demand centred on bearer shares of Oerlikon-Buehrle, Ciba-Geigy, Nestle and Alusuisse.

MILAN — The market closed mixed to lower in thin trading. Fiat, both Pirelli and Montedison were isolated gainers in lower Industrials. IFI Privileged firmed in depressed Financials. Assicurazioni Generali moved marginally lower in Insurances while Mediobanca was unchanged in Banks.

HONG KONG—The market closed generally lower in fairly active trading after a slow start. Wheelock saw most interest and fell 10 cents to $HK2.45. Hong Kong Bank and Jardine Matheson also fell 10 cents to $HK15.20 and $HK13.20 respectively. Hong Kong Land was unchanged at $HK7.85 while Hutchison Whampoa fell $HK2.5 to $HK4.325 and Swire Pacific lost 5 cents to $HK7.05.

JOHANNESBURG—Gold shares closed marginally firmer in line with higher bullion prices. Mining Financials were mostly higher in line with producers. TC Lands posted a R1 gain to R23.00 while most other gains were confined within a 25 cent range. De Beers gained 6 cents to R5.73. Other metals and minerals were firmer too. The industrial share market was quietly harder as well.

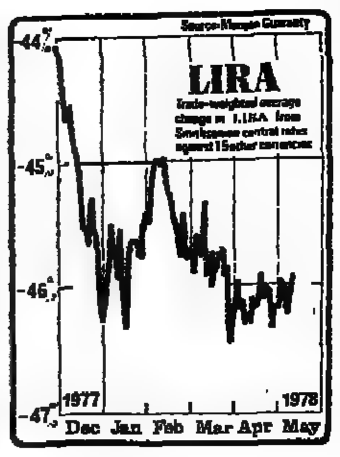
AUSTRALIA—Generally higher after a slow start. BHP rose two cents to $A6.50. The Wales 2 cents to $A5.34 and CRA 5 cents to $A2.25. Other banking stocks also firmed. Elsewhere in Industrials, CSR lost 1 cent to $A2.89 and Retailers also eased. Myer shed 4 cents to $A1.71. Among Minings, Uraniums gained, with Coal and Allied rising 5 cents to $A3.75 and Pancontinental 30 to $A11.80. Oils weakened, while Bougainville lost 2 cents to $A1.18 and MIM, BH South and North Broken Hill firmed.

Dollar firm

The U.S. dollar gained ground over most major currencies in yesterday's foreign exchange market, partly as a result of the OPEC decision not to increase oil prices for the time being. In terms of the West German mark it improved to DM2.09 from DM2.0735 on Friday, while the Swiss franc fell to SwFr.1.9760 against Sw.Fr.1.95. Using Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation narrowed to 5.11 per cent. from 5.29 per cent. On Bank of England figures, its index improved to 90.1 against 89.8.

Sterling suffered as a result of some commercial selling and a number of factors helped prompt the weaker tendency. Uncertainty surrounding the possibility of a Government defeat over the Finance bill and disappointment after the announcement of the U.K. wholesale price index saw the pound down to $1.8168-1.8178 after opening at $1.8260-1.8270. The authorities may have given some assistance although this was not easily detectable. Sterling closed at $1.8175-1.8185, a loss of 95 points on the day. Its trade weighted index on Bank of England figures showed a steady decline, finishing at 61.3 from 61.5, having stood at 61.4 at noon and 61.5 in early dealings.

Gold lost $¾ an ounce to close at $172-172¾. The Krugerrand's premium over its gold content widened slightly to the common close of 3.26 per cent. from 3.11 per cent. domestically and 3.25 per cent. in international dealings.



CURRENCY RATES

	Special Drawing Rights May 5	European Unit of Account May 5
Sterling	0.668798	0.674487
U.S. dollar	1.22457	1.23390
Canadian	1.38046	1.39302
Austria sch	18.0985	18.4274
Belgian franc	39.4965	39.9414
Danish krone	—	7.00789
Deutschem'rk	2.53706	2.56375
Dutch guilder	2.71120	2.73685
French franc	5.63751	n.a.
Italian lira	1061.27	1070.06
Japanese yen	—	278.677
Norway krone	6.61574	6.66802
Spain peseta	99.0444	99.9035
Swedish krone	5.65568	5.70347
Swiss franc	2.38118	2.41484

EXCHANGE CROSS-RATES

May 8	Frankfurt	New York	Paris	Brussels	London	Amst'd'm	Zurich
Frankfurt	—	2.089-091	46.05-15	6.423-435	3.792-800	95.56-66	105.70-86
New York	47.17-20	—	21.74-77	3.394-099	1.8257-8285	46.10-15	51.32-40
Paris	221.64-2.14	4.621-633	—	14.241-275	8.405-425	207.39-89	234.40-90
Brussels	15.55-59	32.43-48	7.00-03	—	58.97-9.12	14.54-59	16.43-49
London	3.79⅛-80⅛	1.8175-85	8.41½-42½	59.00-9.10	—	4.06-07	3.58½-59½
Amst'dam	106.57-92	2.258-251	48.18-23	6.866-271	4.055-060	—	113.11-16
Zurich	94.61-62	1.975-977	42.66-72	6.084-096	3.589-593	88.627-854	—

U.S. $ in Toronto U.S. = 112.73-77 Canadian cents
Canadian $ in New York = 88.72-74 cents. U.S. $ in Milan 868.20-60
Sterling in Milan 1580.00-1580.75

EURO-CURRENCY INTEREST RATES*

May 8	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilders	Swiss franc	W. German mark
†Short term	8-8½	7-8	7¼-7½	4⅛-4⅜	⅛-¾	3⅛-3⅜
7 days notice	9-9½	7-8	7⅜-7⅝	4⅛-4⅜	⅛-¾	3¼-3½
Month	10-10⅛	7½-7⅞	7¼-7⅝	4⅛-4⅜	¾-⅞	3¼-3⅜
Three months	10½-10⅞	7¾-8⅛	7⅞-8	4⅜-4⅝	1⅛-1¼	3⅜-3⅝
Six months	10⅞-11⅛	8⅛-8½	8-8¼	4⅜-4⅝	1¼-1⅜	3⅜-3⅝
One year	11¼-11½	8¼-8⅝	8⅜-8⅞	4⅞-5⅛	1½-1⅝	3½-3⅝

Euro-French deposit rates: two-day 8⅛-8⅜ per cent.; seven-day 8⅞-9 per cent.; one-month 9⅛-9⅜ per cent.; three-month 9⅞-10 per cent.; six-month 10⅛-10⅜ per cent.; one-year 10⅜-10⅝ per cent.

Long-term Eurodollar deposits: two years 8⅝-8⅞ per cent.; three years 8⅞-9⅛ per cent.; four years 8⁹⁄₁₆-8¹¹⁄₁₆ per cent.; five years 8⅞-9⅛ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 7.40-7.50 per cent.; three-month 7.60-7.70 per cent.; six-month 7.90-8.00 per cent.; one-year 8.10-8.20 per cent.

* Rates are nominal calling rates.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars: two days' notice for guilders and Swiss francs.

GOLD MARKET

	May 8	May 5
Gold Bullion (a fine ounce)		
Close	$172-172¾	$172½-173¼
Opening	$172¼-173	$172-172¾
Morning fix'g	$171.95 (£94.442)	$172.55 (£94.187)
Aftern'n fix'g	$172.20 (£94.667)	$172.80 (£94.478)
Gold Coins domestically		
Krugerrand	$177-179 (£97½-98½)	$177¼-179¼ (£97-98)
N'w Sov'gns	$53-55 (£29¼-30¼)	$54-56 (£29⅝-30¾)
Old Sov'rgns	$53-55 (£29¼-30¼)	$53¾-55¾ (£29½-30½)
Gold Coins (Internat'lly)		
Krugerrand	$177-179 (£97½-98½)	$177½-179½ (£97¼-98¼)
New Sov'rgns	$53-55 (£29¼-30¼)	$53¾-55¾ (£29½-30½)
Old Sov'rgns	$53-55 (£29¼-30¼)	$53¾-55¾ (£29½-30½)
$20 Eagles	$276¼-279¼	$277¾-280¾

FOREIGN EXCHANGES

May 8	Bank Rates %	Market Rates Day's Spread	Market Rates Close
New York	8½	1.8165-1.8270	1.8175-1.8185
Montreal	8½	2.0430-2.0580	2.0440-2.0455
Amsterdam	4	4.04½-4.08	4.06-4.07
Brussels‡	5½	58.90-59.30	*59.00-59.10
Copenhagen	8	10.31-10.39	10.31½-10.32½
Frankfurt	3	3.78-3.81	3.79½-3.80½
Lisbon	15	81.60-82.30	82.00-82.20
Madrid	8	147.20-148.05	147.25-147.45
Milan	11½	1,578-1,586	1,579½-1,580½
Oslo	7	9.84½-9.90	9.85-9.86
Paris	9½	8.40-8.46	8.41½-8.42½
Stockholm	7	8.41½-8.46½	8.42-8.43
Tokyo	3½	407-415	408½-410½
Vienna	5½	27.15-27.40	27.30-27.40
Zurich	1	3.55-3.61	3.58½-3.59½

‡ Rates given for convertible francs. Financial franc 58.40-59.10. * Rate for Brussels, April 5, was 59.60-59.10.

OTHER MARKETS

			Notes Rates
Argentina	1,398-1,402	Argentina	1250-1350
Australia	1.5995-1.6156	Austria	26.5-28.0
Brazil	31.02-32.02	Belgium	58-59¼
Finland	7.67-7.69	Brazil	32-37
Greece	67.531-69.303	Canada	2.06-2.07
Hong Kong	8.4205-8.4460	Denmark	10.30-10.45
Iran	125-151	France	8.35-8.45
Kuwait	0.501-0.511	Germany	3.75-3.85
Luxemb'rg	59.00-59.10	Greece	66-72
Malaysia	4.3400-4.3530	Italy	1545-1585
N. Zealand	1.7905-1.8088	Japan	410-420
Saudi Arab	624-634	Netherl'nd	4.00-4.10
Singapore	4.2290-4.2420	Norway	9.85-9.95
S. Africa	1.5745-1.5997	Portugal	73-78
U.S.		Spain	145-148
Canada		Switz'land	3.50-3.60
CSI		U.S.	1.82¼-1.83¼
U.S. cents	[illegible]	Yugoslavia	34-38

Rate given for Argentina is a free rate.

FORWARD RATES

	One month	Three months
New York	0.43-0.33 c. pm	1.26-1.16 c. pm
Montreal	0.44-0.34 c. pm	1.25-1.15 c. pm
Amst'dam	2⅝-1⅝ c. pm	6⅛-5⅛ c. pm
Brussels	25-15 c. pm	75-60 c. pm
Cop'nhgn	3½-5½ ore dis	8½-10½ ore dis
Frankfurt	2¼-1¼ pf pm	7⅛-6⅛ pf. pm
Lisbon	50-300 c. dis	160-530 c. dis
Madrid	par-80 c. dis	40-140 c. dis
Milan	3-8 lire dis	11-16 lire dis
Oslo	2¾-4¾ ore dis	7½-9½ ore dis
Paris	½ c pm-½ c. dis	1 c. pm par
St'ckholm	1 orepm-1 oredis	1 orepm-3 oredis
Vienna	14-4 gro pm	32-22 gro pm
Zurich	3¼-2¼ c. pm	8¾-7¾ c. pm

Six-month forward dollar 2.55-2.50c pm. 12-month 5.00-4.90c pm.

Indices

NEW YORK -DOW JONES

	May 5	May 4	May 3	May 2	May 1	Apr. 28	1978 High	1978 Low	Since compilat'n High	Since compilat'n Low
Industrial	829.09	824.41	828.85	840.18	844.53	837.62	844.36 (1/5)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds*	88.98	89.06	89.06	88.88	88.95	89.01	90.56 (4/1)	88.85 (2/5)	—	—
Transport	224.76	225.90	224.29	224.78	225.51	224.58	225.51 (1/5)	199.31 (9/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	106.35	106.01	106.12	106.33	106.43	105.58	110.98 (5/1)	102.84 (22/2)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's †	42,680	37,570	37,600	41,400	37,020	32,650	—	—	—	—

*Basis of index changed from August 24

	April 28	April 21	April 14	Year ago (approx.)
Ind. div. yield %	5.56	5.75	5.86	4.60

STANDARD AND POORS

	May 5	May 4	May 3	May 2	May 1	Apr. 28	1978 High	1978 Low	Since compilat'n High	Since compilat'n Low
‡Industrials	106.64	105.92	106.27	107.46	107.92	106.94	107.92 (1/5)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
‡Composite	96.53	95.88	96.26	97.25	97.67	96.83	97.67 (1/5)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	May 3	Apr. 19	Apr. 12	Year ago (approx.)
Ind. div. yield %	5.02	5.14	5.36	4.33
Ind. P/E Ratio	9.18	8.94	8.56	10.57
Long Govt. Bond yield	8.39	8.30	8.34	7.71

N.Y.S.E. ALL COMMON

May 5	May 4	May 3	May 2	1978 High	1978 Low
55.97	55.68	55.72	54.10	54.56 (1/5)	48.37 (6/3)

Rises and Falls

	May 5	May 4	May 3
Issues traded	1,903	1,888	1,909
Rises	987	687	571
Falls	500	791	897
Unchanged	416	410	441
New Highs	175	79	182
New Lows	24	30	35

MONTREAL

	May 5	May 4	May 3	May 2	1978 High	1978 Low
Industrial	178.26	177.24	177.29	177.50	181.47 (17/4)	162.80 (16/2)
Combined	185.81	185.17	185.25	185.50	187.95 (17/4)	170.82 (30/1)
TORONTO Composite	1091.4	1087.4	1086.2	1086.5	1091.4 (17/4)	998.2 (30/1)
JOHANNESBURG Gold	194.4	(c)	194.0	195.4	218.7 (1/2)	186.9 (20/4)
Industrials	219.5	(c)	218.8	218.8	[illegible]	194.9 (15/3)

	May 8	Previous	1978 High	1978 Low
Australia (*)	477.25	478.41	480.33 (2/5)	441.43 (1/3)
Belgium (‡)	101.16	(c)	101.00 (3/5)	101.16 (6/5)
Denmark (**)	—	94.78	98.15 (9/1)	94.00 (6/2)
France (††)	68.1	68.0	68.7 (28/4)	47.5 (5/2)
Germany (‡‡)	770.6	772.9	812.7 (10/2)	765.3 (26/4)
Holland (§§)	80.3	79.3	82.1 (10/2)	76.0 (4/4)
Hong Kong (¶¶)	455.24	457.17	461.83 (1/5)	323.44 (13/1)
Italy (‖)	60.01	60.10	65.66 (6/3)	55.40 (10/1)
Japan (a)	413.08	(c)	416.11 (19/4)	364.04 (4/1)
Singapore (b)	304.56	304.05	305.19 (2/5)	282.0 (1/3)

	Previous	May 5	1978 High	1978 Low
Spain (d)	(c)	109.15	109.15 (5/5)	97.28 (17/3)
Sweden (e)	396.20	395.35	397.36 (3/5)	325.74 (3/1)
Switzerl'd (f)	291.8	291.5	296.56 (14/4)	279.0 (28/4)

Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 300-1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (*) Sydney All Ord. (‡) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (‖) Milan 2/1/72. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Closed. (d) Madrid SE 30/12/77. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.

◆ DM50 denom. unless otherwise stated; yields based on net dividends plus tax. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ♦ Frs.500 denom. and Bearer shares unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross. div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

OVERSEAS SHARE INFORMATION

Inv. $ Prem. $2.60 to £ 110½% (110%)
Effective rate (1.8180) 47% (47½%)

NEW YORK

Stock	May 5	May 4
Abbott Labs	59	58⅞
Addressograph	21½	19⅞
Aetna Life & Cas	39⅝	39⅛
Air Products	27⅝	27½
Airco	50	49½
Alcan Aluminium	27¾	27½
Alcoa	46¼	45¾
Alleg. Ludlum	18¼	18⅜
Allegheny Power	18¼	18¼
Allied Chemical	42¼	42¾
Allied Stores	25⅜	25¼
Allis Chalmers	29	28¾
AMAX	37	37
Amerada Hess	32⅝	31⅜
Amer. Airlines	13½	13⅛
Amer. Brands	48¼	47¼
Amer. Broadc'st	46⅛	46
Amer. Can	39⅞	40
Amer. Cyanamid	27¼	26⅞
Amer. Elec. Pow	23½	22½
Amer. Express	36¼	36
Amer. Home Prod	30	29
Amer. Medical	24⅝	24¾
Amer. Motors	4⅝	4½
Amer. Nat. Res	43¼	42⅞
Amer. Standard	45	45⅛
Amer. Stores	33⅜	33¼
Amer. Tel. & Tel.	62¼	62
Ametek	35¼	35½
AMF	17¼	17¾
AMP	30¼	30¼
Ampex	14⅝	14⅝
Anchor Hocking	28¾	28½
Anheuser Busch	23⅛	23⅛
Armco Steel	29⅞	29⅞
A.S.A.	20⅝	20½
Asamera Oil	11¼	11⅛
Asarco	16½	16½
Ashland Oil	30⅜	30½
Atl. Richfield	51⅜	50⅜
Auto Data Pro	29¾	29⅝
AVC	9⅛	9
Avco	26⅛	26¼
Avon Products	53⅛	52⅛
Balt Gas Elect	25⅛	25⅛
Bank America	24	23⅞
Bankers Tr. N.Y.	38⅜	39¼
Barber Oil	28⅛	28⅜
Baxter Travenol	40⅛	39⅛
Beatrice Foods	24⅜	24½
Beckman Instrum	39⅛	40⅛
Bell & Howell	19⅜	19¼
Bendix	35⅜	36
Benguet Cons 'B'	3	2⅞
Bethlehem Steel	22¼	22½
Black & Decker	18⅛	18⅛
Boeing	47¼	46¾
Boise Cascade	28	27¾
Borden	28⅜	28⅜
Borg Warner	30	29⅞
Braniff Int.	13⅛	13½
Brascan 'A'	14⅛	15
Bristol Myers	33⅝	33¼
Brit. Pet. ADR	15	14⅛
Brockway Glass	31⅛	33
Brunswick	15⅛	15⅜
Bucyrus Erie	19⅜	19¼
Budd	33⅛	33⅞
Bulova Watch	6¼	6¼
Burlington Nthn	38⅞	38¼
Burroughs	67⅞	68
Campbell Soup	34⅛	34⅛
Canadian Pacific	16⅞	16
Canal Randolph	11⅛	11⅛
Carnation	27⅛	27¼
Carrier & Gerber	12⅛	12¼
Carter Hawley	18⅞	18½
Caterpillar Tract	54⅛	53⅞
CBS	52⅛	52⅛
Celanese Corpn	39⅞	39⅛
Central & S.W.	15⅛	15⅛
Certainteed	22⅛	22⅛
Cessna Aircraft	34½	34⅛
Chase Manhattan	32	31⅞
Chemical Bk. NY	43	44
Chesebgh Pond	23⅞	23⅛
Chessie System	31	32¼
Chicago Bridge	52	51⅞
Chromalloy	19⅞	19⅛
Chrysler	11⅛	11½
Cinerama	2⅞	2⅞
Cine. Milacron	27⅝	27⅜
Citicorp	24¼	23⅞
Cities Service	50	48
City Investing	15½	15⅞
Cleve Cliffs	41⅛	41⅛
Colgate Palm	20⅛	20⅛
Collins Aikman	11⅛	11⅛
Columbia Gas	28	27⅞
Columbia Pict.	20¼	18⅛
Com.Ins.Co.of Am	18⅛	18⅛
Combustion Eng	39⅞	39½
Combustion Eq	15	14⅞
Cm'w'th Edison	27½	27⅛
Comm'th Oil Ref	2⅛	2⅛
Comm. Satellite	40⅝	40⅛
Computer Science	11¼	11
Conn. Life Ins.	35½	35⅛
Conrac	22⅛	22⅛
Con. Edison N.Y.	22¼	22⅜
Consol Foods	24¼	24⅛
Consol Nat. Gas	39	38½
Consumer Power	22	22⅛
Continental Grp.	30⅞	30⅛
Continental Oil	29¼	27⅞
Continental Tele.	16¼	16½
Control Data	31	31¼
Cooper Indus	51	51¼

Stock	May 5	May 4
Corning Glass	52¼	52⅜
CPC Int'n'tional	48¼	47
Crane	30	30½
Crocker Nat	27⅛	27⅝
Crown Zellerbach	31⅜	31⅛
Cummins Engine	39½	39⅛
Curtiss Wright	18¼	18
Dana	25½	25
Dart Industries	42¼	41¾
Deere	28¼	28⅛
Del Monte	25	24¾
Deltona	10⅛	9⅝
Dentsply Int.	18⅜	18
Detroit Edison	15¼	15⅛
Diamond Shamrock	25⅛	25¼
Dictaphone	15⅛	15⅛
Digital Equip.	45¼	44⅛
Disney (Walt)	37½	37
Dover Corpn.	47	46⅞
Dow Chemical	25¼	24¾
Dravo	28¼	28⅜
Dresser	41¼	41⅜
Du Pont	114⅛	114⅜
Dymo Industries	19¼	20⅛
Eagle Picher	19⅜	19⅛
East Airlines	10⅛	10¼
Eastman Kodak	52⅛	52
Eaton	36	37⅛
E.G. & G.	25⅜	25⅜
El Paso Nat. Gas	17¼	17⅜
Eltra	32¼	32¼
Emerson Electric	34⅛	34½
Emery Air Freight	44	43⅞
Emhart	37⅜	36¼
E.M.I.	2⅛	2⅛
Engelhard	26	26¼
Esmark	26⅛	26⅛
Ethyl	19⅜	19⅛
Exxon	48⅛	47⅞
Fairchild Camera	34⅜	32¾
Fed. Dept. Stores	38⅛	38¼
Firestone Tire	14⅛	14⅜
Fst. Nat. Boston	28½	28⅛
Flexi Van	22⅛	22¼
Flintkote	25⅛	25⅛
Florida Power	29⅛	29⅛
Fluor	35⅜	35
F.M.C.	23⅜	22½
Ford Motor	50	49⅛
Foremost Mck.	21⅜	20½
Foxboro	36	35
Franklin Mint	9	9⅛
Freeport Mineral	21⅛	21⅜
Fruehauf	29⅛	29½
Fuqua Inds	11⅛	11⅛
G.A.F.	12⅛	12⅛
Gannett	42½	41⅛
Gen. Amer. Int.	9⅛	10
G.A.T.X.	28⅛	28¼
Gen. Cable	16⅞	16⅝
Gen. Dynamics	55½	54½
Gen. Electric	50⅜	50⅜
General Foods	29	29¼
General Mills	28⅛	28⅜
General Motors	63⅛	63¼
Gen. Pub Util.	19	19
Gen. Signal	28⅜	27⅛
Gen. Tel. Elect.	29¼	29½
Gen. Tyre	25⅛	25½
Genesco	6⅛	6⅞
Georgia Pacific	27	27
Getty Oil	169	165
Gillette	27⅛	27⅛
Goodrich B.F.	22⅛	22⅝
Goodyear Tire	17⅛	17⅛
Gould	27½	27½
Grace W.R.	27¼	27⅛
Grt. Atlan Pac Tea	6	6⅛
Grt. North Iron	25⅛	25⅛
Greyhound	13⅛	13⅛
Gulf & Western	13⅛	13⅛
Gulf Oil	23⅛	23⅛
Halliburton	59⅛	58⅛
Hanna Mining	32⅛	32½
Harnischfeger	15⅛	16
Harris Corpn.	32⅛	31⅜
Heinz H.J.	38	38
Heublein	27	27
Hewlett Packard	75¼	74⅛
Holiday Inns	18⅛	18⅛
Homestake	33⅛	33⅛
Honeywell	51⅛	51⅛
Hoover	12⅛	12⅛
Hosp. Corp. Amer.	29⅞	30
Houston Nat. Gas	25⅝	26⅛
Hunt (Ph.A.) Chm	11⅛	11⅛
Hutton (E.F.)	16⅛	15⅞
I.C. Industries	24½	24⅛
INA	38½	39⅛
Ingersoll Rand	55⅛	55⅛
Inland Steel	39⅛	38⅛
Insilco	14⅛	14⅛
Intercont'l Energy	[illegible]	[illegible]
IBM	262.5	260⅜
Intl. Flavours	23⅛	22⅛
Intl. Harvester	30⅛	30½
Intl. Min & Chem	42	41⅜
Intl. Multifoods	24	23⅛
Inco	16⅛	16⅛
Intl. Paper	41⅛	41½
IPC	32⅛	32⅛
Int. Rectifier	11⅛	11⅛
Int. Tel. & Tel.	31⅛	30⅞
Invest	1⅛	1⅛
Iowa Beef	37⅞	37⅛
IU International	12	12
Jim Walter	33⅛	32⅞

Stock	May 5	May 4
Johns Manville	31⅛	31⅛
Johnson Johnson	74⅜	74
Johnson Control	33⅜	33⅛
Joy Manufactur'g	36⅛	35½
K. Mart Corp.	25	25⅛
Kaiser Aluminium	33⅜	33⅛
Kaiser Industries	2	2
Kaiser Steel	23½	23
Kay	10	9⅝
Kennecott	25⅜	25⅛
Kerr McGee	45½	44½
Kidde Walter	31⅜	31⅛
Kimberly Clark	48	47⅞
Koppers	24	25⅛
Kraft	45⅛	45⅛
Kroger Co.	32⅛	32⅛
Levi Strauss	35	34⅞
Libby Ow. Ford	27⅛	28
Liggett Group	33½	32⅞
Lilly (Eli)	46½	45⅜
Litton Indust	20⅛	19⅞
Lockheed Aircr'ft	23⅜	23⅛
Lone Star Inds	19⅞	20⅛
Long Island Ltd.	18⅜	18⅜
Louisiana Land	27⅛	22⅛
Lubrizol	39½	39⅛
Lucky Stores	13⅛	14⅛
Lykes Y'ngst'wn	6⅞	6⅝
MacMillan	11⅛	11⅛
Macy R.H.	40½	40⅛
Mfrs. Hanover	35⅜	35⅜
Mapco	35	34⅛
Marathon Oil	46¼	45⅜
Marine Midland	14⅛	14⅛
Marshall Field	25⅛	24½
May Dept. Stores	24⅛	24⅜
MCA	46	46⅛
McDermott	28⅜	28½
McDonnell Doug.	32½	31⅞
McGraw Hill	21½	22
Memorex	43½	46½
Merck	54⅜	56
Merrill Lynch	19⅛	18⅞
Mesa Petroleum	39⅛	38⅛
MGM	36⅞	36
Minn Mng & Mfg	51	50⅛
Mobil Corp	67⅛	66⅛
Monsanto	55⅛	55⅜
Morgan J.P.	46⅜	46½
Motorola	45⅛	45⅛
Murphy Oil	40⅛	39⅛
Nabisco	49⅛	48⅞
Nalco Chemical	29	29⅛
National Can	17⅛	17
Nat. Distillers	24⅛	23⅛
Nat. Service Ind	15½	15⅞
National Steel	32	31⅞
Natomas	41½	40⅞
NCR	51⅞	50⅜
Neptune Imp	19⅞	20⅛
New England El	22⅛	22⅛
New England Tel	34⅞	33⅜
Niagara Mohawk	14⅛	14⅛
Niagara Share	9⅛	9⅛
N.L. Industries	17⅛	17
Norfolk&Western	26⅛	26⅛
North Nat. Gas	39⅝	39½
Nthn. States Pwr	24⅛	24¼
Nthwest Airlines	27⅛	27
Nthwest Bancorp	25⅜	25
Norton Simon	20¼	20
Occidental Petrol	24⅛	24
Ogilvy Mather	49¼	49⅛
Ohio Edison	17⅞	18
Olin	16½	16⅛
Overseas Ship	24⅛	25⅛
Owens Corning	63⅝	63½
Owens Illinois	20⅛	19⅛
Pacific Gas	25⅜	25⅜
Pacific Lighting	18	18⅛
Pac. Pwr. & L.	20⅛	20⅛
PanAm World Air	7½	6⅞
Parker Hannifin	25⅞	25½
Peabody Int.	25	24
Pen. Pw. & L.	21⅛	21⅛
Penney J.C.	39⅛	39½
Pennwalt	30⅛	28⅞
Peoples Drug	9	8⅞
Peoples Gas	24⅛	24⅞
Pepsico	30⅛	29⅛
Perkin Elmer	19⅛	19
Pet	40⅛	38
Pfizer	31	31
Phelps Dodge	22	22
Philadelphia Ele.	16⅛	16¼
Philip Morris	64⅛	64
Phillips Petro'm	33⅛	33⅞
Pillsbury	39	39
Pitney Bowes	22½	22½
Pittston	25⅛	25½
Plessey Ltd ADR	17⅛	17⅛
Polaroid	31⅛	31½
Potomac Elec	12⅛	12⅝
PPG Industries	27⅛	27⅜
Procter Gamble	84⅛	83⅛
Pub. Serve Elect	21⅛	22⅛
Pullman	30½	30½
Purex	17⅛	17¼
Quaker Oats	22½	22¼
Rapid American	9⅛	9½
Raytheon	40⅛	40¼
RCA	28⅛	28⅛
Republic Steel	24⅛	24⅞

Stock	May 5	May 4
Revlon	45	45
Reynolds Metals	31¼	30⅜
Reynolds R.J.	57⅞	56⅜
Rich'son Merrell	22⅜	22½
Rockwell Inter	34⅛	33⅞
Rohm & Haas	33⅞	34
Royal Dutch	57½	57¼
RTE	16⅜	16¼
Russ Togs	12	11⅞
Ryder System	20⅛	19⅜
Safeway Stores	40⅜	40⅜
St. Joe Minerals	26⅛	27⅛
St. Regis Paper	28⅞	28½
Santa Fe Inds	37⅛	38½
Saul Invest	6⅛	6⅛
Saxon Inds	6⅛	5⅞
Schlitz Brewing	12⅜	12⅞
Schlumberger	71⅜	69⅝
SCM	18⅞	19
Scott Paper	14⅛	14⅛
Scovill Mfg	21⅛	21⅛
Scudd Duo Vest	8⅛	8
Sea Containers	31½	30⅞
Seagram	23⅝	23⅛
Searle (G.D.)	14⅛	14⅛
Sears Roebuck	24⅛	24⅛
SEDCO	36⅞	35⅜
Shell Oil	33⅝	33⅛
Shell Transport	41⅛	40⅛
Signal	39⅛	38⅞
Signode Corp	35	34⅛
Simplicity Pat	13⅛	13¼
Singer	22¼	22½
Smith Kline	64⅞	64
Solitron	2⅛	2⅛
Southdown	31⅛	31¼
Southern Cal. Ed	25⅛	25
Southern Co.	16	16⅛
Sthn. Nat. Res	34⅛	33⅞
Southern Pacific	31⅛	31⅛
Southern Railway	49⅛	49
Southland	24⅞	24⅛
S'w't Bankshares	26½	26½
Sperry Hutch	17⅛	17⅛
Sperry Rand	40	39⅛
Squibb	28⅛	27⅛
Standard Brands	24	24½
Std. Oil California	43⅛	44⅛
Std. Oil Indiana	50⅛	50⅛
Std. Oil Ohio	69¼	70
Stauff Chemical	41	40⅛
Sterling Drug	15⅞	15⅛
Studebaker	26⅛	26⅛
Sun Co.	42⅛	42
Sundstrand	45½	45⅛
Syntex	26⅛	26⅛
Technicolor	16⅛	16½
Tektronix	41⅛	40⅜
Teledyne	96⅛	91⅛
Telex	5⅛	4⅛
Tenneco	32⅛	32⅛
Tesoro Petroleum	10½	10⅛
Texaco	25⅛	25
Texasgulf	18⅞	18⅝
Texas Inst'm	75	75½
Texas Oil & Gas	30⅛	31⅛
Texas Utilities	19⅛	19⅛
Time Inc.	47½	47
Times Mirror	27⅞	28⅛
Timken	52⅛	52⅛
Trane	33½	34
Transamerica	15⅞	15⅞
Transco	17⅛	17⅛
Tran. Union	35⅜	35⅜
Tranway Intl	24⅛	24⅛
Trans World Air	20⅞	20½
Travelers	32⅛	32⅛
Tri Continental	20⅛	19⅛
T.R.W.	38	38
20th Century Fox	35⅛	31⅛
U.A.L.	28	27⅛
UARCO	25⅛	24⅛
UGI	21	20⅛
UOP	[illegible]	[illegible]
Unilever	37⅛	37⅛
Unilever NV	52	52
Union Bancorp	14⅛	14⅛
Union Carbide	39⅛	39½
Union Commerce	8	8
Union Oil Calif	49⅞	49⅞
Union Pacific	47⅞	48
Uniroyal	7⅛	7⅛
United Brands	6⅛	6⅜
US Bancorp	33½	32⅛
US Gypsum	24⅛	24⅝
US Shoe	26⅞	27
US Steel	27	27
US Technologies	42⅝	41⅛
UV Industries	22	22⅛
Virginia Elect	13⅛	13⅛
Walgreen	21	21
Warner Commun.	37⅞	37½
Warner-Lambert	29	28½
Waste Man'ment	23⅛	23⅞
Wells-Fargo	28	29
Western Bancorp	25⅞	25⅞
Western N. Amer	26	26
Western Union	16⅛	16⅛
Westinghouse Elec	20½	20
Westvaco	25⅛	25⅛
Weyerhaeuser	24	24⅛
Whirlpool	23	23
White Con. Ind.	22⅛	22½
William Co.	19½	19
Wisconsin Elect	27⅛	27¼

Stock	May 5	May 4
Woolworth	19⅞	20⅛
Wyly	4⅛	4⅜
Xerox	48½	48
Zapata	16⅞	16¼
Zenith Radio	16⅜	16½
U.S. Treas 4% 1983	†94⅜	†94⅜
U.S. Treas 4¼% 75/85	†81¼	†81⅛
U.S. 90 Day bills	6.40%	6.31%

CANADA

Stock	May 5	May 4
Abitibi Paper	12¾	12½
Agnico Eagle	4.85	4.90
Alcan Aluminium	31⅛	30⅞
Algoma Steel	19⅛	19⅝
Asbestos	†39¼	39¼
Bank of Montreal	19⅝	19⅝
Bank Nova Scotia	20	20⅛
Basic Resources	5⅞	5⅞
Bell Telephone	56	56⅛
Bow Valley Ind	27⅜	25¾
BP Canada	14⅜	14⅜
Brascan	16⅞	17
Brinco	†4.60	*6.00
Calgary Power	36⅜	38
Camflow Mines	13⅛	13¼
Canada Cement	10⅛	9⅛
Canada NW Lan	11⅞	11¼
Can.Imp.Bk.Com	27⅞	27⅛
Canada Indust	†19⅛	19½
Can. Pacific	18¼	18⅛
Can. Pacific Inv	19¼	19⅛
Can. Super Oil	58⅜	58¼
Carling O'Keefe	4.15	4.05
Cassiar Asbestos	9¼	8⅞
Chieftain	19⅜	19⅝
Cominco	27⅜	27¼
Cons. Bathurst	28⅞	28⅜
Consumer Gas	17⅜	17½
Coseka Resources	5⅛	5⅜
Costain Rich	†12½	12½
Daon Devel	9	8⅞
Denison Mines	69¾	69⅝
Dome Mines	78	77½
Dome Petroleum	65⅝	66
Dominion Bridge	†24⅛	24⅛
Domtar	17½	17½
Dupont	†15⅛	15⅛
Falcon'ge Nickel	30	30⅛
Ford Motor Can.	77	76½
Genstar	28⅛	28⅜
Giant Yel'knife	11⅛	11⅞
Gulf Oil Canada	27⅛	27
Hawker Sid. Can.	7⅛	7
Hollinger	43⅛	43
Home Oil 'A'	40⅜	40⅜
Hudson Bay Mng	19⅛	19⅛
Hudson Bay	19⅝	19⅛
Hudson Oil & Gas	42	42
I.A.C.	18	17⅜
Imasco	34⅝	34⅝
Imperial Oil	19⅜	18⅞
Inco	18⅛	18¼
Indal	11⅛	11⅛
Inland Nat. Gas	11⅛	11⅛
Int. Pipe Line	14⅛	14⅛
Kaiser Resources	14⅛	14⅛
Laurentide Fin Corp	9⅛	9⅛
Loblaw Com. 'B'	4.25	4.20
McMill'n Bloed'l	19¼	19¼
Massey Ferguson	11½	11½
McIntyre	23	22⅛
Moore Corpn	32⅛	32⅛
Noranda Mines	26⅛	25⅞
Norcen Energy	15⅛	15⅛
Nthn. Telecom	29⅞	30
Numac Oil & Gas	29⅛	28⅜
Oakwood Petr'm	3.85	4.05
Pacific Copper M.	2.27	2.30
Pacific Petroleum	49	48⅜
Pan. Can. Pet'm	35⅛	35⅛
Patino	†16	16⅛
Peoples Dept. S.	3.90	3.90
Place Can. & Oil	0.92	0.92
Placer Develop'mt	22¼	22
Power Corporat'n	16	16⅛
Price	13¼	13¼
Quebec Sturgeon	1.25	1.28
Ranger Oil	34¼	37¼
Reed Stenh.	10	10
Rio Algom	30¼	30
Royal Bk. of Can.	29¼	29⅜
Royal Trust	†18	18
Sceptre Resources	7⅛	7⅛
Seagrams	26⅜	26¼
Shell Canada	14½	14¼
Sherritt G. Mines	5.12	4.90
Simpson O.G.	28⅛	27¼
Simpsons	[illegible]	5⅛
Steel of Canada	25⅛	25
Steep Rock Iron	†2.38	2.40
Texaco Canada	38⅛	39⅛
Toronto Dom. Bk.	18	17⅞
TransCanPipeLn.	18⅛	17⅞
Trans Mount Oil	9	9⅛
[illegible]	†13¼	†12⅞
Union Gas	10½	10⅜
Utd. Siscoe Mines	7⅛	7⅛
Walker Hiram	42½	42⅝
West Coast Trans.	34⅛	35
Weston (Geo.)	16⅜	16⅜

* Toronto prices: Montreal prices not available. † Bid. ‡ Asked. § Traded. ¶ New stock.

GERMANY ◆

May 8	Price Dm.	+ or —	Div. %	Yld. %
AEG	85.6	-0.4	—	—
Allianz Versich	466.5	......	18	1.9
BMW	225.5	......	18	4.0
BASF	135.7	-0.2	18.76	6.9
Bayer	139	+0.3	16	—
Bayer. Hypo	277.5	+0.5	18	3.2
Bayer. Vereinsbk.	291.1xd	-2.4	18	3.1
Ciba-Geigy Net.wts	160	......	—	—
Commerzbank	226	+0.5	17	7.5
Conti Gummi	72	-0.7	—	—
Daimler Benz	298	+0.5	28.12	4.8
Degussa	248xd	-2	17	3.5
Demag	167	+3.5	14	4.3
Deutsche Bank	291	-1.7	18	3.1
Dresdner Bank	241xd	-1	28.12	5.9
Dyckerhoff Zem.	145.0	-6.6	4	1.4
Gutehoffnung	191	......	12	3.2
Hapag Lloyd	115.5	-0.5	12	5.2
Harpener	282.5	+8.0	9	3.2
Hoechst	133.7	+0.4	16	—
Hoesch	46	-0.1	4	4.3
Horten	119.5	-0.3	10	4.2
Kali und Salz	135	+0.5	9	3.4
Karstadt	296.5	+0.5	20	3.5
Kaufhof	198.5	-1.5	12	6.1
Klockner DM100	90.5	......	—	—
KHD	173	-0.8	12	3.4
Krupp	97.5	......	—	—
Linde	233.5	+0.5	16	3.4
Lowenbrau 100	1,480xd	......	25	8.4
Lufthansa	106.5	......	7	3.3
MAN	175	-2	12	3.4
Mannesmann	156.8	+1.5	14	4.5
Metallges	205.5	-1.5	10	2.4
Munchener Ruck	545	-2	18	1.7
Neckermann	118	-1	—	—
Preussag DM 100	108.6	-1	—	—
Rhein West. Elect	182.3	......	25	6.9
Schering	251.5	+2.5	20	4.0
Siemens	275.5	+0.5	16	3.0
Sud Zucker	246	+3	17	3.5
Thyssen A.G.	118xd	+0.6	11	4.7
Varta	174.5	-0.5	14	4.0
VEBA	105	+0.5	12	5.8
Vereins&West Bk	285xd	......	18	3.2
Volkswagen	201.5	-0.6	25	6.2

AMSTERDAM

May 8	Price Fls.	+ or —	Div. %	Yld. %
Ahold (Fl.20)	102xd	+2.0	a21	3.5
Akzo (Fl.20)	29.2	+0.5	—	—
Algem Bnk (Fl.100)	348	+5.5	A23.5	6.7
AMEV (Fl.10)	84	+0.2	A44	13.1
Amrobank (Fl.20)	77.3xd	+1.3	23.5	5.8
Bijenkorf	88.5	-0.5	25	5.2
Boka Westm (Fl.10)	120.5	+0.6	80	6.7
Buhrmn Tetterode	70.0	+2.2	26	7.4
Elsevier N (Fl.20)	282.5	-3.0	27.5	2.0
Ennia N.V. Bearer	139.5	+0.1	57.5	5.4
EurComTst Fl.10	65xd	......	94.5	5.4
Gist Brocades (Fl.5)	31.8	-0.2	23	6.9
Heineken (Fl.25)	99.0	+1.0	14	3.5
Hoogovens (Fl.20)	35	-2.5	—	—
Hunter D. (Fl.100)	25.2	+1.3	12	4.8
K.L.M. (Fl.100)	146	+4.8	—	—
Int. Muller (Fl.20)	45.5	+1.5	18	7.9
Naarden (Fl.10)	34.5xd	-0.1	12.6	3.6
Nat.Ned Ins.(Fl.10)	108.2	+0.9	48	4.4
NedCred Bk (Fl.20)	54.3xd	+0.3	21	7.7
Ned Mid Bk (Fl.50)	192.5xr	-1.0	22	5.7
Oce (Fl.20)	153	+0.4	36	4.7
Van Ommeren	117.3	+7.3	16	6.8
Pakhoed (Fl.20)	42	+3.2	—	—
Philips (Fl.10)	26.5	+1.0	17	6.4
RijnSchVen (Fl.100)	79.5	+4.5	—	—
Robeco (Fl.50)	166	+8.0	A256	7.7
Rolinco (Fl.50)	124.8	+1.8	—	—
Rorento (Fl.50)	132.1	......	14	5.3
Royal Dutch Fl.20	127.9	+1.1	55.75	8.4
Slavenburg	246.2xd	-2.7	19	7.7
Stevin Grp (Fl.20)	131	-1	27½	4.2
TokyoPac. Hlds.$1	107xd	......	50	0.7
Unilever (Fl.20)	115.7	+0.8	42.8	7.4
[illegible]	39.4	+0.6	20	1.2
Westan'dr.Bank	379.5xd	-0.5	33	4.2

COPENHAGEN ♣

May 8	Price Kroner	+ or —	Div. %	Yld. %
Andelsbanken	135.50	......	11	8.1
Burm'ter W.	424	-4	15	3.5
Danske Bank	121.5	-1.5	14	9.9
East Asiatic Co.	159.5xr	-0.5	12	7.5
Finansbanken	130.0	-0.5	13	10.0
For. Bryggerier	340	+1	12	3.5
For. Papir	79.75	-0.75	8	10.1
Handelsbank	125.50	......	12	8.9
G.N'th'n H. (Kr80)	260.0	......	12	4.2
Nord Kabel	243.5xd	+0.75	12	4.9
Oliefabrik	74.75	-0.25	18	—
Privatbank	130.75	......	—	8.5
Provinsbank	135.50	......	11	8.1
Soph. Berendsen	376	+1	11	3.2
Superfos	190.00	+0.25	12	6.3

VIENNA

May 8	Price %	+ or —	Div. %	Yld. %
Creditanstalt	342	......	10	2.9
Perlmooser	262	......	9	3.4
Selecta	586	+2	38	8.2
Semperit	96	+2	—	—
Steyr Daimler	184	+3	7½	3.8
Veit Magnesit	244	+2	14	5.7

TOKYO ¶

May 8	Prices Yen	+ or —	Div. %	Yld. %
Asahi Glass	340	......	14	2.1
Canon	463	-2	12	1.2
Casio	599	-11	25	2.1
Chinon	376	+6	20	2.7
Dai Nippon Print	558	+1	18	1.6
Fuji Photo	586	+5	15	1.3
Hitachi	241	-4	12	2.5
Honda Motors	591	-1	18	1.5
House Food	—	......	35	—
C. Itoh	326	-2	12	2.6
Ito-Yokado	1,420	-20	30	1.1
Iwatsu	618	-2	13	1.1
J.A.L.	2,680	+30	—	—
Kansai Elect. Pw.	1,110	......	10	4.5
Komatsu	349	-3	18	2.6
Kubota	283	-1	15	2.7
Kyoto-Ceramic	3,660	......	35	0.5
Matsushita Ind.	756	-14	20	1.3
Mitsubishi Bank	278	......	10	1.8
Mitsubishi Heavy	139	+4	12	4.3
Mitsubishi Corp.	440	-3	14	1.5
Mitsui & Co.	330	......	14	2.1
Mitsukoshi	565	-8	20	1.8
Nippon Denso	1,440	-20	15	0.5
Nippon Shinpan	670	+5	12	0.9
Nissan Motors	814	-4	16	1.0
Pioneer	1,860	-60	48	1.3
Sanyo Electric	255	-5	12	2.4
Sekisui Prefab	915	-14	30	1.6
Shiseido	1,110	-10	20	0.9
Sony	1,820	-20	40	1.1
Taisho Marine	241	......	11	2.3
Takeda Chemical	370	-2	15	2.0
TDK	2,120	-10	30	0.7
Teijin	123	+1	10	4.1
Tokio Marine	500	-1	11	1.1
Tokyo Elect Pow'r	1,060	......	8	3.8
Tokyo Sanyo	319	+4	12	1.9
Tokyo Shibaura	147	-3	10	3.4
Toray	148	+1	10	3.4
Toyota Motor	986	-11	20	1.2

Source Nikko Securities, Tokyo

BRUSSELS/LUXEMBOURG

May 8	Price Frs.	+ or —	Div. Frs. Net	Yld. %
Arbed	2,380	+40	—	—
Bq. Brx. Lamb.	1,560	-10	65	3.9
Bekaert "B"	1,800	......	115	6.4
C.B.R. Cement	1,352	-8	100	7.4
Cockerill	414	+6	—	—
EBES	2,525	-45	177	7.0
Electrobel	6,680	+20	430	6.5
Fabrique Nat.	2,605	+5	170	6.5
G.B. Inno-Bm.	2,200	-10	150	6.8
Gevaert	1,410	-16	85	6.1
Hoboken	2,260	-40	170	7.5
Intercom	2,050	......	142	6.9
Kredietbank	6,680	+30	265	3.7
La Royale Belge	6,010	......	305	5.1
Pan Holdings	2,450	......	52.25	3.3
Petrofina	4,275	+40	174	4.1
Soc. Gen. Banque	2,955	-5	204	6.9
Soc. Gen. Belgique	1,980	-10	140	7.1
Sofina	3,330	-20	216	6.5
Solvay	2,540	......	A200	7.8
Traction Elect.	2,750	......	170	6.2
UCB	964	+38	—	—
Un. Min. (1/10)	780	-8	50	6.4
Vieille Montagne	1,695	-10	—	—

SWITZERLAND ♦

May 8	Price Frs.	+ or —	Div. %	Yld. %
Aluminium	1,105xd	+15	6	2.7
BBC 'A'	1,540	-15	10	3.3
Ciba Geigy (Fr.100)	1,150	+35	22	1.9
Do. Pt. Cert.	815	-5	22	2.7
Do. Reg.	611	-7	22	3.6
Credit Suisse	2,140	-5	16	3.7
Electrowatt	1,590	......	10	3.2
Fischer (George)	670	-20	5	3.7
Hoffman PtCert	75,000	-250	550	0.7
Do. (Small)	7,525	-25	55	0.7
Interfood B	3,700	-25	20	2.7
Jelmoli (Fr.100)	1,430xd	-10	21	1.4
Nestle (Fr.100)	3,205	-55	[illegible]	2.7
Do. Reg.	2,220	-10	[illegible]	3.9
OerlikonB (F250)	2,135	+35	15	17.4
Pirelli SIP (F.100)	265	-4	15	5.9
Sandoz (F.250)	3,400	-50	26	1.9
Do. Part Certs	475	+10	26	2.7
Schindler Ct (F.100)	275	-3	12	4.4
Sulzer Ct (F.100)	352	-6	14	4.2
Swissair (F.350)	787xd	+1	10	4.4
Swiss Bank (F.100)	350xd	+2	10	2.9
Swiss (Re) F.250	4,400	-75	40	2.3
Union Bank	2,910xd	......	20	3.4
Zurich Ins.	10,775	+100	44	2.1

MILAN

May 8	Price Lire	+ or —	Div. Lire	Yld. %
ANIC	31.0	-0.15	—	—
Bastogi	410	-5	—	—
Fiat	1,908.5	+9.5	150	7.9
Do. Priv.	1,642	+2	150	9.2
Finsider	76.25	-1.25	—	—
Italcementi	10,349	-1	200	1.9
Italsider	145	......	—	—
Mediobanca	32,410	......	1,200	3.7
Montedison	129.75	+0.25	—	—
Olivetti Priv.	649	-6	—	—
Pirelli & Co.	2,024	+5	130	6.4
Pirelli Spa	945	+1	80	8.5
Snia Viscosa	655	......	—	—

AUSTRALIA

May 8	Aust. $	+ or —
ACMIL (25 cent)	†0.71	+0.01
Acrow Australia	†0.81	+0.01
Allied Mnt-Trdg. Inds $1	†2.35	+0.01
Ampol Exploration	†1.42	......
Ampol Petroleum	†0.79	......
Assoc. Minerals	†1.15	......
Assoc. Pulp Paper $1	†1.18	......
Assoc. Con. Industries	†1.75	-0.02
Aust. Foundation Invest	†0.92	+0.01
A.N.I.	†1.45	+0.01
Audimco	†0.40	-0.02
Aust. Oil & Gas	†0.55	......
Blue Metal Ind.	†1.06	......
Bougainville Copper	†1.18	......
Broken Hill Proprietary	†6.50	+0.02
BH South	†0.80	......
Carlton United Brewery	†1.88	+0.03
C. J. Cole	†1.93	-0.01
CSR ($1)	†2.88	-0.02
Cons. Goldfields Aust.	†2.45	......
Container ($1)	†2.32	-0.05
Conzinc Riotinto	†2.20	+0.05
Costain Australia	†1.40	......
Dunlop Rubber ($1)	†1.58	-0.01
ESCOR	†0.95	-0.09
Elder-Smith	†2.02	-0.03
E.Z. Industries	†2.12	+0.02
Gen. Property Trust	†1.52	......
Hamersley	†2.08	......
Hooker	†0.75	-0.01
I.C.I. Australia	†2.13	......
Inter-Copper	—	......
Jennings Industries	†1.27	+0.02
Jones (David)	†1.15	......
Lennard Oil	†0.23	-0.02
Metals Exploration	†0.15	+0.01
MIM Holdings	†1.95	+0.05
Meyer Emporium	†1.71	-0.02
News	†2.35	+0.05
Nicholas International	†0.85	......
North Broken H'dings (50c)	†1.16	......
Oakbridge	†1.65	+0.01
Oil Search	†0.09	-0.02
Otter Exploration	†0.16	-0.01
Pioneer Concrete	†1.48	+0.05
Reckitt & Colman	†2.94	......
H. C. Sleigh	†0.65	......
Southland Mining	†0.21	......
Spargos Exploration	†0.17	......
Tooth (S.)	†1.82	+0.01
Waltons	†0.88	-0.01
Western Mining (50 cents)	†1.25	-0.01
Woolworths	†1.65	-0.01

PARIS

May 8	Price Frs.	+ or —	Div. Frs.	Yld. %
Rente 4½	727	-5	4½	0.6
Afrique Occ'd'le	414	-3	21.15	5.2
Air Liquide	306.5	-3.6	16.5	5.4
Aquitaine	450	-3	26.25	5.8
BIC	482	+6	12.75	2.7
Bouygues	654	-19	42	6.5
B.S.N. Gervais	466	-3	40.5	8.5
Carrefour	1,650xd	-19	75	4.6
C.G.E.	356.5	+1.5	31.5	8.6
C.I.T. Alcatel	1,149	+6	58.5	5.1
Cie Bancaire	316	-10	14	3.9
Club Mediter	427	+2.1	11.25	2.7
Credit Com. Fr'ce	126.6	-1.3	12	9.4
Creusot Loire	87.2	......	—	—
Dumez	836	-8	7.5	0.9
Fr. Petroles	126.1	-2.7	14.10	11.2
Gen. Occidentale	188.0	......	8.25	4.5
Imetal	62.6	-1.9	5.7	9.1
Jacques Borel	128.5	-1.6	—	—
Lafarge	185.5	+2.5	16.77	9.0
L'Oreal	730	......	15.55	2.2
Legrand	1,750	-15	36.75	2.1
Maisons Phenix	1,066	-10	38.5	3.7
Michelin "B"	1,478	-2	32.55	2.2
Moet Hennessy	487	-13	12.6	2.5
Moulinex	166.9	+0.1	3	1.8
Paribas	161	-2	19.55	12.4
Pechiney	89	-1	7.5	8.4
Pernod-Ricard	276	-0.5	7.5	2.7
Peugeot-Citroen	376.8	+2	15	4.0
Poclain	197	-6	—	—
Radio Technique	442	-8	27	6.1
Redoute	590	+1	27	4.6
Rhone Poulenc	92.5	+1.1	9	9.8
St. Gobain	150.3	-1.2	14.55	9.7
Skis Rossignol	1,640	-10	39	2.4
Suez	279	+2	25.5	9.2
Telemecanique	762	-4	25.5	3.4
Thomson Brandt	152.0	-3.5	15.15	7.9
Usinor	26.0	+0.2	—	—

STOCKHOLM

May 8	Price Krone	+ or —	Div. Kr.	Yld. %
AGA AB (Kr.40)	214	-1	5.5	2.6
Alfa Laval B (Kr50)	157	-3	5	3.2
ASEA (Kr.50)	84.5xd	-1.0	5	5.9
Atlas Copco (Kr25)	130xd	......	6	4.6
Billerud	82	-3	4	4.9
Bofors	128	-3	y4	3.1
Cardo	[illegible]	-1	10	5.0
Cellulosa	259	......	10	4.2
Elect'lux 'B' (Kr50)	155	......	6.4	4.1
Ericsson 'B' (Kr50)	140	-1	5	4.5
Esselte "B"	253	+3	8	3.1
Fagersta	112	+2	4	3.6
Granges (free)	49.0	-0.5	—	—
Handelsbanken	315xd	+2	16	5.2
Marabou	120xd	......	8	—
Mo Och Domsjo	65	-3	6.5	10.0
Sandvik A.B.	264	+4	5.75	2.2
S.K.F. 'B' Kr50	80	+1	4.5	5.6
Skand Enskilda	146xd	-1	8	5.5
Tandstik 'B' Kr50	87.5	-1.0	5	5.7
Uddeholm	55.0	......	y—	—
Volvo (Kr.50)	87.5	+1.0	6	6.9

BRAZIL

May 5	Price Cruz	+ or —	Div. Cruz	Yld. %
Acesita	1.06	-0.01	0.12	11.32
Banco do Brazil	2.36	-0.04	0.17	7.20
Banco Itau	1.90	......	0.15	13.53
Belgo Mineira OP	1.98	-0.02	0.12	6.06
Lojas Amer. OP	3.20	......	0.20	6.25
Petrobras PP	3.04	-0.02	0.10	3.29
Souza Cruz OP	2.88	+0.03	0.23	7.99
Unip PE	7.95	-0.15	0.20	2.52
Vale Rio Doce PP	1.60	+0.12	0.18	8.13

Vol. Cr.113.8m. Shares 49.2m.
Source: Rio de Janeiro SE.

OSLO

May 8	Price Kroner	+ or —	Div. %	Yld. %
Bergen Bank	93.0	......	9	9.7
Borregaard	62.5	......	4	6.4
Creditbank	108.0	......	11	9.3
Kosmos	245xd	......	20	8.1
Kreditkassen	107	......	11	10.3
Norsk Hydrokr.Kr	188.25	-1.75	12	5.1
Storebrand	88.00	-0.75	9	10.2

JOHANNESBURG

MINES

May 8	Rand	+ or —
Anglo American Corpn.	4.83	-0.10
Charter Consolidated	3.20	-0.10
East Driefontein	10.50	-0.15
Elsburg	1.73	+0.02
Harmony	3.10	
Kinross	5.56	+0.10
Kloof	7.55	+0.15
Rustenburg Platinum	1.33	+0.01
St. Helena	†12.10	+0.10
South Vaal	7.65	-0.05
Gold Fields SA	20.20	+0.25
Union Corporation	4.50	-0.05
De Beers Deferred	5.75	+0.03
Blyvooruitzicht	3.35	+0.10
East Rand Pty.	†3.10	
Free State Geduld	25.30	
President Brand	14.60	-0.15
President Steyn	10.80	+0.15
Stilfontein	3.53	+0.05
Welkom	4.35	-0.25
West Driefontein	30.75	+0.15
Western Holdings	27.75	
Western Deep	12.50	

INDUSTRIALS

AECI	2.65	+0.05
Anglo-Amer. Industrial	9.20	
Barlow Rand	3.70	
CNA Investments	1.50	
Currie Finance	0.86	+0.04
De Beers Industrial	9.00	
Edgars Consold. Invest.	1.90	+0.05
Edgars Stores	21.00	-1.50
Federale Volksbeleggings	1.45	
Greatermans Stores	3.25	
Guardian Assurance (SA)	1.57	+0.02
Huletts	2.03	
LTA	1.90	-0.05
McCarthy Rodway	0.50	
NedBank	2.50	
OK Bazaars	3.50	-0.10
Premier Milling	5.30	+0.05
Pretoria Cement	3.20	
Protea Holdings	1.13	-0.02
Rand Mines Properties	†1.58	-0.03
Rembrandt Group	3.55	+0.05
Retco	0.33	
Sage Holdings	1.45	
SAPPI	1.90	
C. G. Smith Sugar	5.55	+0.05
SA Breweries	1.26	-0.02
Tiger Oats and Nat. Milg.	9.50	
Unisec	1.06	+0.01

Securities Rand $U.S.0.73¼
(Discount of 36.30%)

SPAIN ♥

May 5	Per cent.	
Asland	126	—
Banco Bilbao	334	+15
Banco Atlantico (1,000)	266	+ 8
Banco Central	360	+12
Banco Exterior	306	+ 6
Banco General	280	+ 2
Banco Granada (1,000)	167	+ 3
Banco Hispano	254	+18
Banco Ind. Cat. (1,000)	189	+ 9
B. Ind. Mediterraneo	202	—
Banco Popular	263	+10
Banco Santander (250)	395	+ 3
Banco Urquijo (1,000)	280	+12
Banco Vizcaya	260	+10
Banco Zaragozano	302	+10
Bankunion	161	+ 8
Banus Andalucia	222	- 2
Babcock Wilcox	29	—
CIG	77	+ 2
Dragados	283	+13.50
Inmobanif	86	—
E. I. Aragonesas	70.50	+ 4.50
Espanola Zinc	112	+ 2
Expl. Rio Tinto	110.50	+ 3
Fecsa (1,000)	80	+ 5
Fenosa (1,000)	75	+ 3.50
Gal. Preciados	86	+ 5
Grupo Velazquez (400)	165	—
Hidrola	88.50	+ 5
Iberduero	87	+ 5
Olarra	150	+10
Papeleras Reunidas	77.50	+ 3.50
Petroliber	120	+ 3
Petroleos	212	+10
Sarrio Papalera	72	+ 2.25
Sniace	50	+ 1
Sogefisa	125	+ 5
Telefonica	92	+ 2.25
Torras Hostench	103	+ 5
Tubacex	130	+ 6
Union Elec.	87.75	+ 2

FARMING AND RAW MATERIALS

Britain opposes Mediterranean farm package

BY MARGARET VAN HATTEM

BRUSSELS, May 8.

BRITAIN TO-NIGHT joined Germany in opposing EEC Commission proposals for financing a five-year plan for modernising Mediterranean agriculture.

Mr. John Silkin the Minister of Agriculture, announced at the Farm Ministers' meeting here that Britain was unwilling to agree to the Community's paying *more than 30 per cent.* of the total cost of restructuring agriculture in Italys Mezzogiorno region and the Languedoc-Roussillon area of France.

Nor would it consider proposals for additional aid schemes in Corsica and southern France.

The meeting later broke up until to-morrow morning without agreeing anything, although the Danish chairman wanted to keep the Ministers sitting through the night.

Sig. Giovanni Marcora, the Italian Minister, complained that *it was difficult to negotiate with* Britain's Farm Minister absent. Mr. Silkin had left for home shortly after speaking in order to vote in a House of Commons division.

Differences over financing the package, which would cost the Community close on 2bn. units of account over five years, have emerged as the biggest problem in the annual farm prices review, which was resumed to-day.

The problem surfaced at the previous farm council in Luxembourg last month, when Germany unexpectedly announced that it would not support more than a 25 per cent. Community contribution for the proposed measures. Until then, Germany had expressed only vague reservations over the Commission's proposal that the Community should provide half the funds for the Italian scheme and 35 per cent. for the Languedoc-Roussilon one.

Mr. Silkin to-day denied accusations that Britain had made a deal with Germany, but added: "We have not spoken to the Germans on this, but we seem *to be pretty well agreed.*"

He also denied that the British stand was new—the 30 per cent. ceiling had been mentioned in Luxembourg, he said.

Commission officials commented that, while Britain had made no secret of its general reservations, it had not openly specified a 30 per cent. ceiling.

Both Britain and Germany claim that the overall cost of measures included in the farm price review is too high and have singled out the Mediterranean package as a prime target for cost-cutting.

Both countries are acutely aware that whatever the Community does for French and Italian Mediterranean farmers, it could be called upon to do for Spain, Greece and Portugal, which have applied to join the Community.

Meanwhile, Germany is pressing for higher milk and cereal prices, which would considerably boost the cost of the Common Agricultural Policy. Britain has indicated that it is prepared to relax its stand on a tough prices policy.

The Commission has proposed a compromise price increase averaging just over 2 per cent. as compared with the 1977-78 season. It would be the lowest ever.

Firmer tone in tea market

By Our Commodities Staff

A MORE buoyant tone was apparent at yesterday's weekly London tea auction. Prices for the main quality grades moved up marginally and nearly all offerings found buyers.

Prices bid were generally above the market's estimated valuation for the first time in several weeks.

The average price for quality tea was 130p a kilo, compared with 127p last week. Medium quality was 6p dearer at 119p a kilo and plain 2p dearer at 84p a kilo.

London tea prices have been depressed since the publication in February of a Price Commission report which said that retail prices were too high. This led to a serious decline in retail demand, as housewives waited for prices to find their correct level.

Few retail buyers now seem to expect further price cuts, however, and the high street market is at last returning to normal. Improved retail off-take has brought a marked recovery in confidence among the major blenders who are now returning to the market in force.

India to start wheat exports

By Our Own Correspondent

NEW DELHI, May 8.

INDIA WILL soon start exporting wheat products for the first time to reduce heavy accumulated stocks.

Wheat stocks have accumulated to over 18m. tonnes after bumper crops for three years, and are straining storage facilities. The main market for wheat exports is expected to be the Middle East.

Previously the only food grains India has exported are of better-quality rice.

First rise in copper stocks for 14 weeks

BY JOHN EDWARDS, COMMODITIES EDITOR

THE FIRST rise for 14 weeks in copper stocks held in London Metal Exchange warehouses was announced yesterday. Stocks were up by 1,175 tonnes, raising total holdings to 551,475 tonnes.

This compares with the all-time peak of 645,300 tonnes reached in mid-January this year.

There was little reaction on the London Metal Exchange to the stocks increase, since it had already been forecast last week and discounted.

Prices were buoyed up by the weakness of sterling and cash wirebars closed £4 higher at £691.25 a tonne.

A fall of 125 tonnes in tin stocks, cutting total warehouse holdings to a lowly 2,395 tonnes, was also in line with market expectation and had little impact on prices.

Another increase in the Penang market over the weekend failed to boost London, since it was thought to be merely a catching up with the sharp rise in London prices on Friday.

Lead and zinc markets were quiet. Lead stocks fel by 400 tonnes to 61,500 tonnes, but zinc at 61,875 tonnes and LME silver holdings at 18,120,000 ounces were unchanged.

It was confirmed that Cominco, which last week said the U.S. lead price cut was not justified by the supply-demand position, has been forced to come into line and cut its U.S. price by two cents to 31 cents a pound.

Plea to cut potato plantings ignored

BY CHRISTOPHER PARKES

BRITAIN'S POTATO growers appear to have disregarded warnings from the Ministry of Agriculture to reduce their plantings this spring.

They were told earlier this year that, since consumption had fallen by about 13 per cent., it would be wise if they cut their sowings by the same amount.

They may yet be forced by the weather to cut back a little though. Heavy rain the past week has prevented farmers from working in their fields, and by the time the ground is dry enough, it may be too late to finish the plantings.

A Ministry spokesman said that if rain had not interrupted work at the start of last week it seemed likely that the total acreage planted with potatoes would have been the same as last year. About 10 per cent. of sowings remained to be completed.

This was "disappointing" he said, especially in view of the *warnings given and the fact that* there were still considerable doubts about how the British potato markets was to be managed in future.

Last year's crop is still covered by the British guaranteed price scheme, under *which market returns are, where* necessary, made up to a predetermined level with deficiency payments from the Exchequer.

Plans for a Common Market potato régime may spell the end for the national support system this year, though.

NORTHERN FOODS—PORK FARMS

'A £23m. offer we could not refuse'

BY JAMES BARTHOLOMEW AND CHRISTOPHER PARKES

IF A BALANCED diet is as healthy for the body commercial *as it is for the human organism* it stands to reason that the development of Northern Foods, whose takeover of Pork Farms was announced yesterday, should be vigorous indeed.

Northern Foods, which has grown to its present stature mainly on dairy and bakery products, now has a good plateful of meat—and gravy—before it. Pork Farms' pre-tax profits forecast for last year is £2.9m., compared with £1.95m. in 1976 and £777,000 in 1973.

Profit in 1950 from the three original pork butchers' and pie shops run by Mr. Frank Samworth was £15,000.

Mr. David Samworth, chairman of Pork Farms, is convinced though, that this family business is not going to be gobbled up and digested by the bigger company.

Clearly, he has been waiting for the right moment. In March, during another round in a long series of takeover rumours, Mr. Samworth was calm and dismissive. "We are just not interested in selling," he said. Since the family owned 60 per cent. of the shares, he could afford to be cool.

Among those reported to be interested were Thomas Borthwick (only recently recovered from having its nose pushed out of joint in the tussle for control of FMC with the National Farmers' Union Development Trust) and Unilever, which already has a substantial slice of the processed meat market through Mattesons.

No dynasty

"I wanted the firm to go into the right hands," Mr. Samworth said yesterday. "I knew I had to sell at some stage." His two brothers have no children, and his eldest child was only seven he explained. There was thus little chance of a dynastic family management being established.

"It was not a question of if, only of when the takeover happened," he added. "Northern Foods came along with a very big offer—a lot of cash—and it's hard to refuse an offer like that."

He aimed to sell to a company about five to six times as big as Pork Farms, because he wanted to be sure that his company's voice would continue to be heard.

Pork Farms' star products are pies, pasties and cooked meats distributed through upper-crust grocers such as Fortnum and Mason. The staple income, *however, comes from the income,* however, comes from the highly-prized and jealously-guarded chain store outlets under the "own brand" labels of companies like Marks and Spencer and J. Sainsbury.

A big advantage in the takeover, for Pork Farms as Mr. Samworth points out, is the possibility of using Northern Food's cash to expand.

But how should a company like Pork Farms develop from here? Mr. Samworth refuses flatly to consider the bacon business—that thorn in the side of the rest of the U.K. meat processing industry. But he sees bright, even brilliant prospects in manufactured meat products.

Pork Farms grew strong on a range of high quality pies and processed meats during an era when consumption of butchers' meat was on the decline because of soaring prices. This era coincided broadly with the dawning of the age of convenience foods.

In spite of some of the unpleasant surprises imposed on consumers in the past 10 years or so by the less scrupulous food processors, there can be no doubt that the market for ready-prepared food will continue to grow. And Pork Farms was in there at the start with the granddaddy of all convenience foods—the pork pie.

Much is made of the family tradition of attending at least one of the company's four daily tastings, and Mr. Samworth is touchingly proud of the company's annual tally of medals, *blue ribands and other valued* knick-knacks collected in open competition with other meat firms. Last year, for example, Pork Farms collected more than 50 first prize awards.

Nobody can accuse Mr. Samworth of letting Pork Farms go cheaply. The price of £23m. is 16 times Pork Farms' estimated 1977-78 fully taxed profits. And the asset backing is minimal, the net tangible assets in the 1977 balance sheet being only £2.7m.

Retained earnings will have increased net assets since then of course, but Northern Foods is probably paying more than £17m. of goodwill because of its faith in the earnings and the management of Pork Farms.

The bid is therefore in sharp *contrast with Northern Foods'* recent failed £12½m. bid for James Shipstone and Sons. The Nottingham brewer was highly asset-rich, claiming to own *properties worth £21m.* but making pre-tax profits of only £2m.

Northern Foods has made at least 12 takeovers during the seventies. The stock market does not normally take kindly to this sort of activity nowadays, but the acquisitions have, on the whole, proved successful

Northern Foods' profits have risen from £5.6m. in 1973 to £17.9m. in 1977 and it is one of the stockbrokers' favourites in the food sector.

Surplus funds

Henderson Crusthwaite, for example, enthuses about "the tremendous cash-generating qualities of the dairy business" and adds: "Northern Foods is probably second in the trade to Asda in terms of the successful deployment of surplus funds."

Its "surplus funds" have been burning a hole in Northern Foods' pocket. The company currently has more than £10m. in fixed interest securities. Having failed to get Shipstone, Northern Foods was even keener to buy something and has therefore been ready to pay the fulsome price for goodwill.

To-morrow, however, Northern will make a further announcement about its instalment credit, leasing and banking subsidiary, British Credit Trust. The market expects that this will be a sale of all or part of its interest, leading to a new cash inflow.

This could see Northern Foods back on the takeover trail again. Its brewing ambitions are not yet satisfied and it has stakes in Avana and Rakusen. At least the takeover policy has settled into a pattern and is now exclusively in the food sector.

There is a shortage of medium-sized food companies to be acquired though, and plenty of *other predators such as Imperial* Group and Unilever on the hunt.

OLIVE OIL PACT TALKS

MADRID, May 8.

The International Olive Oil Council, meeting from May 8 to 12, is to continue preparations for a new international olive oil agreement.

The agreement is due to be negotiated under the auspices of the United Nations Conference *on Trade and Development from* March 20 to April 6 next year, in Geneva.

UN call for world grains pact

BY OUR COMMODITIES STAFF

AGREEMENT ON an international cereals pact that could become the legal instrument "for achieving lasting food security on a global scale" was urged yesterday by the UN Food and Agriculture Organisation in Rome.

The call came from a 79-nation committee of the organisation considering world food security. It recommended that any new international grains agreement should include provision for reserve stocks large enough to ensure adequate world supplies in times of widespread crop failure, and special help for developing countries in building up their own cereal reserves.

It supported a proposal to create a new Food Aid Convention for at least 10m. tonnes of cereals annually, compared *with the existing convention* covering 4.2m. tonnes.

Meanwhile, leading grain exporting and importing countries were said to have made real progress in Geneva last week, where they discussed proposals for a new pact to replace the existing international wheat agreement.

The interim committee set up in March to continue negotiations on a new pact is to meet again in London on June 5 for three weeks to draft a new agreement that would then be considered by another negotiating conference tentatively scheduled *for September.*

Mr. Arthur Dunkel, chairman of the interim committee meetings in Geneva, claimed that real progress had been made on the mechanism to be used to stabilise the wheat market.

The size of the proposed reserve stocks and where they should be held was also discussed.

Most sugar beet planted

BY OUR COMMODITIES STAFF

ONLY ABOUT 2,000 hectares of the U.K. sugar beet crop has still to be planted. This is 1 per cent. of the record area of 209,000 hectares contracted this year between farmers and the British Sugar Corporation.

The Ministry of Agriculture *reports that the beet already* drilled is germinating well, and the sugar corporation says the recent heavy rain is unlikely to do significant damage.

The corporation expects the beet crop to yield 950,000 tonnes of white sugar this season, compared with 700,000 tonnes from a 206,000-hectare crop last year.

In France the national beet growers' organisation, a powerful voice in the market, said that the bad weather threatened to reduce sugar production from last year's record 3.92m. tonnes to between 3.1m. and 3.3m.

The growers told Reuter that on May 3 about 80,000 hectares remained to be sown out of a planned total of 525,000 hectares. Fields not drilled by May 15 will probably be planted with maize.

After the farmers' statements Paris sugar market analysts said doubts about the size of the crop in France and elsewhere in the EEC were helping to support the market and encouraging some demand for futures.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Lower on the London Metal Exchange. Forward metal fell initially from £706 to £702 on short selling and disappointed bull liquidation but buyers came into the market as sterling weakened. There was heavy pricing with three influential buyers of cash metal and heavy selling of forward metal against it. In the afternoon the price eased from £709 with one of the buyers coming out a seller and with Comex little changed. The close on the Kerb was £707.5. Turnover 24,425 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	†+ or —
	£	£	£	£
Wirebars				
Cash	690-1	+5.75	691-.5	+4
3 months	708-.5	+5.5	709-.5	+4
Settl'm'nt	691	+4	—	—
Cathodes				
Cash	680.5-1	+5	681-2	+5.5
3 months	698-9	+6.25	699-700	+5.75
Settl'm'nt	681	+5	—	......
U.S. Smt.	—	......	64	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £689.5, 90, 90.5, three months £703, 4, 4.5, 5, 6, 7, 7.5, 8. Cathodes cash £680.5. Kerbs: Wirebars three months £708, 7.5, 7, 7.5. Afternoon: Wirebars three months £708, 8.5, 6, 8.5, 9. Cathodes three months £699. Kerbs: Wirebars three months £709, 8, 7.5.

TIN—Slightly lower over the day with forward metal starting at £6,400 after a higher Eastern price overnight but trading around £6,380 on profit-taking. In the afternoon there was a lack of follow through, consumer demand was light and bulls were unnerved by the offering of cash metal. With buyers reluctant, the price fell to a close on the Kerb of £6,350. Turnover, 1,440 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	†+ or —
High Grade	£	£	£	£
Cash	6525-35	+155	6470-80	-17.5
3 months	6390-5	+75	6370-80	-12.5
Settlem't	6535	+145	—	......
Standard				
Cash	6525-35	+155	6470-80	-17.5
3 months	6390-5	+75	6370-80	-12.5
Settlem't	6535	+145	—	......
Straits E.	‡$1665	+25	—	......
New York	—	......	*537.60	+13

Morning: Standard cash £6,530, three months £6,370, 75, 80, 85. Kerbs: Standard cash £6,525, 20, three months £6,365, 60. Afternoon: Standard three months £6,390, 90, 80. Kerbs: Standard three months £6,370, 65, 40, 30, 35, 30.

LEAD—Moved narrowly in a market mainly influenced by copper. Forward metal fell in early trading from £308 to £305 but then traded for the rest of the day between £307 and £306 before closing on the Kerb at £306.5. Turnover, 2,925 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	†+ or —
	£	£	£	£
Cash	299.5-300	-.5	299-300	-.375
3 months	307-.5	-2	307-.5	-2
Sett'm'nt	300	-.5	—	......
U.S. Spot	—	......	31-33	......

Morning: cash £301, £300, £299.5, £300, three months £305, 5.5, 6, 6.5, 7, 6, 7.5, 7. Kerbs: three months £307.5, 7, 7.25. Afternoon: three months £307.5, 8, 7.5. Kerbs: three months £307, 6, 7.

ZINC—Little changed, moving in much the same way as lead, with initial easiness, when forward metal went from £307 to £303, followed by a steadier trend. The price moved between £305 and £307 before closing on the Kerb at £306. Turnover, 2,675 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	†+ or —
	£		£	
Cash	297.5-8.5	-1.25	297.5-8.5	-.75
3 months	306.5-7	-.875	306.5-7	—
S'ment	298.5	-1	—	......
Prm. West	—	......	29	......

* Cents per pound. † On previous official close. ‡ SM per picul.

Morning: three months £306, 5.5, 7, 6.5. Kerbs: All Carries. Afternoon: three months £307, 7.5, 7, 6.5. Kerbs: three months £307.

SILVER

Silver was fixed 0.1p an ounce lower for spot delivery in the London bullion market yesterday at 277.6p. U.S. cent equivalents of the fixing levels were: spot 505.1c, down 3.6c; three-month 512.6c, down 3.6c; six-month 521.3c, down 3.2c; and 12-month 543.7c, down 2.6c. The metal opened at 279.3-280.3p (510-511½c) and closed at 277.9-278.9p (505-506½c).

SILVER per troy oz.	Bullion fixing pricing	+ or —	L.M.E. close	+ or —
Spot	277.6p	-0.1	277.4p	-1.5
3 months	282.6p	-0.1	283.8p	-0.9
6 months	290.5p	+0.5	—	......
12 months	307p	+0.9	—	......

LME—Turnover 98 (123) lots of 10,000 ounces. Morning: Three months 284.3, 4.1, 4. Kerbs: Three months 283.9. Afternoon: Three months 283.7, 3.8. Kerbs: Three months 283.7.

COCOA

Values traded quietly throughout the day, closing slightly easier on balance, Gill and Duffus reported.

COCOA	Yesterday's Close	+ or —	Business Done
No.6 C'tract			
May	2050.0-55.0	-5.00	2050.0-15.0
July	1954.0-55.0	-12.0	1980.0-44.0
Sept.	1893.0-94.0	-2.00	1894.0-65.0
Dec	1811.0-13.0	+2.75	1822.0-1794
March	1760.0-70.0	-1.75	1784.0-55.0
May	1735.0-40.0	+2.00	—
July	1700.0-05.0	+12.0	1710.0-08.5

Sales: 1,817 (1,616) lots of 5 tonnes.

International Cocoa Organisation (U.S. cents per pound) — Daily price May 5: 150.59 (153.23). Indicator prices May 8: 15-day average 150.65 (151.75); 22-day average 154.49 (154.86).

COTTON

COTTON—Liverpool. Spot and shipment sales amounted to 425 tonnes. Activity continued on a freer basis, with additional support evident in African and South American growths, F. W. Tattersall reported. Spinners were taking up larger quantities of the raw material in anticipation of a better off-take.

COFFEE

Robustas recovered well from a weak start, Drexel Burnham reported. Commission House stop-loss liquidation was the principal cause of the morning fall. Values at the close were basically unchanged on the day, after trade support had halted earlier losses.

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
May	1570-1571	-2.5	1574-1565
July	1388-1389	-0.5	1390-1368
September	1294-1295	-2.5	1295-1272
November	1241-1242	-1.0	1243-1217
January	1210-1215	-7.5	1210-1190
March	1185-1200	-15.0	1190
May	1170-1190	-22.5	—

Sales: 1,751 (1,573) lots of 5 tonnes.

ICO Indicator prices for May 5 (U.S. cents per pound): Colombian Mild Arabicas 192.50 (193.00); unwashed Arabicas 160.00 (same); other mild Arabicas 168.81 (169.50); Robustas 135.50 (139.00). Daily average 152.16 (154.40).

ARABICAS—The market was dull and featureless, Drexel Burnham reported.

Prices (in order buyer, seller, change, business)—June 158.00-162.00, +1.25, untraded; August 154.00-158.50, -1.00, untraded; Oct. 150.00-152.00, -1.38, untraded; Dec. 140.25-141.00, -1.25, 141.00; Feb. 131.00-136.00, -0.75, untraded; April 130.00-134.00, +1.50, untraded; June 127.00-131.00, -1.50, untraded. *Sales: 1 (2) lots of* 17,250 kilos.

GRAINS

LONDON FUTURES (GAFTA)—Old crop barley traded from 95 points higher in thin conditions down to unchanged and closed 15 lower with few bids noted. Old crop wheat, after initial gains of 23 points, closed 25 lower with no interest apparent, Acli reported. New crops opened strongly on fears of crop damage after the week-end rain, but heavy commercial hedging was noted at 50-60 higher on wheat and 25-35 higher on barley. As a result, the early speculative interest evaporated and values closed easier by 5-35 points.

WHEAT			BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
May	98.75	-0.25	82.65	-0.15
Sept.	86.10	-0.10	80.65	-0.35
Nov.	88.50	-0.10	83.10	-0.20
Jan.	91.00	-0.10	86.55	-0.25
Mar.	93.55	-0.05	89.10	-0.25

Business done: Wheat—May 99.25-99.00, Sept. 86.30, Nov. 88.80-88.50, Jan. 91.80-91.00, March 94.10-93.70. Sales: 50 lots. Barley: May 83.15-82.80, Sept. 81.25-80.60, Nov. 83.65-83.10, Jan. 86.15-85.50, March 88.70-88.20. Sales: 66 lots.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent., May £94.25 Tilbury, U.S. Dark Northern Spring No. 2, 14 per cent., May £85.00, June and July £84.25, transhipment East Coast. U.S. Hard Winter Ordinary, Australian, Argentine, Soviet and EEC grades unquoted.

Maize: U.S./French first-half May £106.75, second-half May £106.00, June £105.50, transhipment East Coast. S. African Yellow May-June £81.00. S. African White and Kenya Grade Three unquoted.

Barley, Sorghum, Oats: unquoted.

MARK LANE—Activity was limited due *to lack of offers, but the few trades* reported reflected a sharp increase in prices. Milling wheat delivered London: May £102.00, June £104.00, July £106.00. Denaturable quality wheat delivered East Anglia: May £98.50, June £101.00, July £103.25. Barley delivered East Anglia: May £86.25, June £87.50.

HGCA—Location ex-farm spot prices: May 8. Feed wheat: East Suffolk £91.90. Feed barley: East Suffolk £83.60.

U.K. monetary co-efficient for the week from May 15 is expected to remain unchanged.

HGCA regional and U.K. average ex-farm spot prices for week ending May 4: Other milling wheat—Eastern £97.50, E. Midlands £97.70, W. Midlands £96.30, N. East £95.40, N. West £97.10, Scotland £98.50; U.K. £97.20; change +170; tonnage 2,137. Feed wheat—S. East £93.00, S. West £93.70, Eastern £94.50, E. Midlands £93.70, W. Midlands £93.40, N. East £94.10, N. West £93.60; U.K. £94.00; change +30; tonnage 6,111. Feed barley—S. East £81.60, S. West £82.80, Eastern £82.30, E. Midlands £81.90, W. Midlands £80.60, N. East £81.40, N. West £79.40, Scotland £82.70; U.K. £81.70, change +70; tonnage 738. Malting barley Eastern £86.50, E. Midlands £84.40, N. East £82.50, Scotland £83.40; U.K. £86.70, change +18; tonnage 15,852.

EEC DAILY IMPORT LEVIES and premiums, effective for May 9, in order current levy plus May, June and July premiums, with previous in brackets (all in units of account per tonne): Common wheat—88.27, 0.66, 0.66, 0.30 (89.13, nil, nil, 0.46); Durum wheat—129.15, 0.46, 0.66, 1.96 (129.15, 1.32, 1.32, 2.31); Rye—81.86, 2.64, 2.64, nil (82.96, 1.13, 1.15, 2.14); Barley—76.67, nil, nil, 0.66 (78.73, nil, nil, nil); Oats—77.96, nil, nil, nil (same); Maize (other than hybrid for seeding)—71.33, 0.99, 0.99, 1.32 (72.78, 0.33, 0.33, 1.65); Millet—80.07, 0.33, 0.33, nil (80.67, nil, nil, nil); Grain sorghum—80.73, 1.65, 1.65, nil (80.73, nil, nil, nil).

Also for flours: Wheat or mixed wheat and rye—125.65 (135.86); Rye—126.07 (128.07).

RUBBER

EASIER opening on the London physical market. Little interest throughout the day, closing dull. Lewis and Peat report that the Malaysian godown price was 211 (212) cents a kilo (buyer, June).

No.1 R.S.S.	Yest'rday's close	Previous close	Business done
June	53.95-54.10	54.85-55.40	55.10-54.75
July	54.40-54.75	55.25-55.70	55.25
Jly-Sept	55.05-5.15	55.60-55.70	55.55-55.05
Oct-Dec	55.95-56.00	56.30-56.35	56.40-55.85
Jan-Mr.	56.90-56.95	57.30-57.35	57.30-57.00
Apr-Jne	57.80-57.90	58.20-58.35	58.10-57.85
Jly-Sep.	58.80-58.90	59.25-59.40	58.95
Oct-Dec	59.90-59.95	60.30-60.55	60.25-59.85
Jan-Mar.	60.95-61.00	61.20-61.25	61.00

Sales: 140 (306) lots of 15 tonnes and 13 lots of five tonnes.

Physical closing prices (buyers) were: Spot 52.5p (53.0); June 52.5p (52.9); July 53p (53.25).

SOYABEAN MEAL

Market opened unchanged in thin trading, but scattered buying drove prices higher in mid-afternoon. A disappointing Chicago opening then caused the market to dip again and prices closed at between £1.00 ahead and unchanged.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
June	130.20-30.5	+0.75	131.00-29.70
August	128.35-28.5	+0.65	128.50-26.70
October	126.0-26.5	+0.60	126.80
December	122.00-22.5	+0.15	122.50-22.20
February	123.50-24.1	+0.65	—
April	124.00-26.0	+0.85	—
June	124.50-27.0	+0.50	—

Sales: 97 (113) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £101.50 (£100.50) a tonne cif for May-June shipment. White sugar daily price was fixed at £108.00 (same).

After opening at around pre-week-end levels, the market made modest gains in light trading conditions, C. Czarnikow reported.

Sugar Pref. Comnt. Conn.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Aug.	106.25-06.35	105.80-05.85	106.40-04.80
Oct.	109.80-10.00	108.85-08.95	110.25-08.50
Dec.	114.10-14.30	112.75-12.75	114.25-15.00
March	121.10-21.25	119.75-19.80	121.25-18.65
May	124.50-24.75	123.25-25.75	124.75
Aug.	128.25-28.50	126.75-27.00	—
Oct.	131.75-32.00	130.25-30.75	—

Sales: 1,568 (1,745) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £242.40 (same) a tonne for home trade and £181.50 (£160.50) for export.

International Sugar Agreement: Indicator prices, U.S. cents per pound fob and stowed Caribbean port for May 5: Daily 7.33 (same); 15-day average 7.52 (7.54).

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scottish killed sides 53.0 to 57.8; English hindquarters 70.0 to 72.0, forequarters 39.0 to 41.0; Ulster hindquarters 69.0 to 71.0, forequarters 39.0 to 41.0.

Veal: Dutch hinds and ends 98.0 to 101.0.

Lamb: English small new season 69.0 to 73.0; Imported frozen: NZ PL 49.0 to 50.0; PM 47.0 to 48.5, PH 46.5 to 47.0.

Hoggets: English 50.0 to 58.0.

Pork: English, under 100lbs 38.0 to 46.0, 100-120lbs 38.0 to 44.0, 120-160lbs 36.0 to 42.0.

Rabbits (skinned): English tame 64.0 to 65.0; Chinese 42.0 to 43.0; Australian 39.0 to 40.0.

MEAT COMMISSION—Average fatstock prices at representative markets on May 8. G.B. cattle 70.12p per kg.l.w. (+0.82). U.K. sheep 161.8p per kg.est.d.c.w. (+14.2). G.B. pigs 64.2p per kg.l.w. (+0.3). England and Wales*—Cattle average price 70.70p (+0.47); Sheep average price 161.8p (+14.0); Pigs average price 64.2p (+0.4). Scotland—Cattle numbers down 4.5 per cent., average price 67.78p (-0.09); Sheep down 25.0 per cent., average price 149.1p (+9.2); Pigs up 2.9 per cent., average price 66.0p (+0.1).

*No England and Wales number changes due to holiday last week.

MLC—Average fatstock prices at representative markets for week ending May 6—GB cattle 69.23p per kg. l.w. (+1.11). U.K. sheep 150.6p per kg. est. d.c.w. (+4.2), G.B. pigs 64.2p per kg. l.w. (+0.6). England and Wales—Cattle numbers down 11.8 per cent., average price 69.64p (+1.48); Sheep down 13.4 per cent., average 151.6p (+4.1); Pigs down 13.7 per cent., average 64.2p (+0.6). Scotland—Cattle up 4.1 per cent., average 68.28p (+0.16); Sheep down 34.8 per cent., average 142.3p (+3.4); Pigs down 5.1 per cent., average 64.0p (+0.1).

COVENT GARDEN (prices in sterling per package unless stated)—Imported produce: Oranges—Cyprus: Valencia Lates 20 kilos 3.40-3.80, 15 kilos 3.00-3.60; Jaffa: Valencia Lates 3.95-4.40; Egyptian: Valencia Lates 2.30; Moroccan: 2.40-2.50; Texas: 3.20. Ortaniques—Jamaican: 5.30-6.50. Lemons—Italian: 100/120 3.60-3.70; Spania: Small trays 25/30 1.30-1.30. Grapefruit—Cyprus: 15 kilos 2.00-3.00; 20 kilos 3.20-3.80; Jaffa: 20 kilos 3.00-3.90; U.S.: Ruby Red 15 kilos 4.60. Apples—French: Golden Delicious 20 lb 64's 2.70-2.90, 72's 2.90-3.00; 40 lb 5.20-5.60, Golden Delicious, jumble pack, per lb 0.10-0.12; Italian: Rome Beauty, per lb 0.13, Golden Delicious 0.10-0.12; South African: Dunn's 6.00-7.00, Granny Smiths 7.00-7.20, White Winter Pearmain 6.50-7.00, Starking Delicious 7.30-8.00; Chilean: Granny Smiths 6.60-7.00; New Zealand: Cox's Orange Pippins 163/234 7.00-8.00; Danish: Per lb, Spartans 0.10-0.11. Pears—South African: Cartons, Packham's Triumph 7.50, Beurre Bosc 5.80; Cases, Beurre Bosc 6.30; Dutch: Per lb, Conference 0.14; Belgian: Conference 0.10½-0.12½. Grapes—South African: New Cross 8.20, Barlinka 4.80, Golden Hill 8.50; Chilean: 5 kilos, Almeria 6.30, Red Emperor 4.80. Bananas—Jamaican: Per lb 0.14-0.15. Melons—Chilean: White 4.00. Avocados—Kenya: Fuerte 14/24's 4.00; South African: Fuerte 3.80-4.00. Strawberries—Californian: 0.50; Italian: 0.30. Onions—Dutch: Large 2.00, medium 1.50; Chilean: cases 4.00-4.20; Canary: 4.20-4.50. Capsicums—Kenya: Per lb 0.35; Canary: 0.35; Romanian: 0.30. Celery—American: 24's 6.50. Potatoes—Canary: 4.50; Egyptian: 3.20-4.30; Cyprus: 4.70; Valencia: 4.30-4.70. Tomatoes—Canary: 4.00-4.50; Jersey: 4.60; Dutch: 5.00-5.20; Guernsey: 5.00-5.20. Carrots—Cyprus: 1.50. Asparagus—Californian: Per lb 0.90-1.00; Hungarian: Per bundle 0.70.

English produce: Potatoes—Per 56 lb, Whites/Reds 2.30-2.70. Lettuce—Per 12 1.50-1.60. Beetroots—Per 28 lb 1.40. Turnips—Per 28lb 1.00. Carrots—Per bag 1.00-1.40. Parsnips—Per 28 lb 1.20-1.50. Onions—Per 56 lb 1.50-2.50. Swedes—Per 28 lb 0.50-0.60. Rhubarb—Per lb, outdoor 0.07. Cucumbers—Per tray 12/24 2.00-2.40. Mushrooms—Per lb 0.40. Apples—Per lb, Bramley's 0.11-0.17, Laxtons 0.10-0.13. Pears—Per lb, Conference 0.13-0.15. Tomatoes—Per lb, English 0.35-0.40. Greens—Per crate, Kent 0.50. Cauliflowers—Per 12, Lincoln 1.40, Kent 1.30-2.00.

WOOL FUTURES

LONDON—Dull and featureless, Bache reported.

(Pence per kilo)

Australian Greasy Wool	Yesterd'y's Close	+ or —	Business Done
May	227.0-29.0	-0.50	—
July	260.0-65.0	......	—
October	235.0-39.0	......	—
December	238.0-41.0	......	—
March	245.0-48.0	......	—
May	246.0-46.0	......	—
July	246.0-49.0	......	—
October	247.0-50.0	......	—

Sales: Nil (same) lots of 1,500 kilos.

SYDNEY GREASY—Close (in order buyer, seller, business, sales)—Micron contract: May 338.5, 339.5, 339.5-338.5, 37; July 340.0, 340.2, 341.0-340.3, 53; Oct. 344.1, 344.5, 344.5-344.0, 33; Dec. 349.0, 349.5, 349.5-348.5, 30; March 357.0, 357.5, 358.3-356.5, 66; May 359.5, 360.0, 361.0-359.5, 26; July 363.0, 363.3, 364.0-362.0, 19; Oct. 364.5, 365.0, 368.0-364.5, 22. Total sales: 286 lots.

BRADFORD—Business remained on a hand-to-mouth basis and continued very competitive in price.

PRICE CHANGES

Prices per tonne unless otherwise stated.

	May 8 1978	+ or —	Month ago
Metals			
Aluminium	£680		£680
Free market (cts)	$985-1000		$950-60
Copper cash W.Bars	£691.25	+4.0	£709.25
3 months do. do.	£709.25	+4.0	£724.25
Cash Cathode	£681.5	+5.5	£699
3 months do. do.	£699.5	+3.75	£714.25
Gold Troy oz.	$172.375	-0.5	$178.875
Lead Cash	£299.5		£315.5
3 months	£307.25	-2.0	£320
Nickel	‡		‡
Free Market (cif lb)	$1.95 -2.05		$1.93 -2.05
Platinum troy oz	£120.50		£117.5
Free Market	£119.8	-0.5	£115.25
Quicksilver (76lb.)	$127-32		$130-35
Silver troy oz.	277.6p	-0.1	280.1p
3 months	283.6p	-0.1	285p
Tin Cash	£6,475	-17.5	£6,035
3 months	£6,375	-12.5	£6,065
Wolfram 22.04lb cif	$136-40		$144-48
Zinc cash	£298	-0.75	£310
3 months	£306.75		£315.75
Producers	$550-600		$550
Oils			
Coconut (Phil)	$595r		$600
Groundnut	£744		£732
Linseed Crude (v)	£363		£323
Palm Malayan	$581v		$564
Seeds			
Copra Philip	$410y		$390
Soyabean (U.S.)	$302.5	+4.0	$294
Grains			
Barley EEC			
Home Futures	£80.65	-0.15	£80.9
Maize			
French No. 3 Am	£106.75		£106.75
Wheat			
No. 1 Red Spring	£94.25	+0.5	£95
No2 Hard Winter	‡		‡
English Milling	£102		£97.5
Cocoa Shipment	£2,055	-12.0	£1,990
Future July	£1,954.5	-12.0	£1,916.5
Coffee Future			
July	£1,588.5	-0.5	£1,384.5
Cotton 'A' Index	69.9c		69.05c
Rubber kilo	52.2p	-0.5	47p
Sugar (Raw)	£101.5	+1.0	£100
Wooltops 64s kilo	280p		274p

* Nominal. ‡ Unquoted. s May-June. t May-Aug. u June. v April-June. w July. y May-July. z June-July. x Per ton.

FINANCIAL TIMES

May 8	May 5	Month ago	Year ago
241.27	242.88	239.44	264.50

(Base: July 1, 1952=100)

REUTER'S

May 8	May 5	Month ago	Year ago
1465.9	1456.6	1436.2	1688.7

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	May 8	May 5	Month ago	Year ago
Spot	362.68	364.42	361.93	412.73
Futures	348.06	350.46	352.12	385.80

(Average 1924-25-26=100)

MOODY'S

Moody's	May 8	May 5	Month ago	Year ago
Spie Commty	906.0	905.6	910.3	928.3

(December 31, 1931=100)

GRIMSBY FISH—Supply good, demand fair. Prices per stone at ship's side unprocessed: Shelf cod £3.80-£4.40, codlings £2.70-£3.30; large haddock £3.80; medium haddock £3.40-£4.00, small haddock £2.00-£3.00; large plaice £4.65, medium plaice £4.00-£5.00, best small plaice £3.60-£4.70; large skinned dogfish £5.00, medium skinned dogfish £3.40; large lemon soles £7.00, medium lemon soles £6.50; rockfish £1.80-£2.50; reds £1.20-£2.40; saithe £1.80-£2.30.

*

LONDON PALM OIL—Close: May, June, July, August 300.00-330.00, Sept. 290.00-330.00, Oct. 290.00-320.00, Nov. 250.00-315.00, Dec. 280.00-310.00, Jan. unquoted. Sales, nil (same).

U.S. Markets

NEW YORK, May 8.

Cocoa—May 153.05 (156.25), July 149.85 (151.30), Sept. 145.85, Dec. 139.15, March 134.75, May 131.55, July 129.05. Sales: 504 lots.

Coffee—"C" Contract: May 174.50-175.25 (174.30), July 152.51-153.50 (153.71), Sept. 137.00, Dec. 124.00, March 117.50, May 114.50, July 112.00-113.00, Sept. 110.00-111.00. Sales: 370 lots.

Copper—May 58.30 (58.10), June 58.70 (58.60), July 59.30, Sept. 60.40, Dec. 61.90, Jan. 62.40, March 63.40, May 64.40, July 65.40, Sept. 66.40, Dec. 67.90, Jan. 68.40, March 69.40. Sales: 2,800 lots.

Cotton—No. 2: May 57.75-58.00 (57.90), July 59.65-59.70 (59.89), Oct. 61.35, Dec. 62.90, March 63.75, May 64.25-64.50, July 64.65-65.00, Oct. 63.25 bid. Sales: 535,000 bales.

*Gold—May 172.00 (173.50), June 172.60 (174.00), July 173.60, Aug. 174.70, Oct. 176.90, Dec. 179.20, Feb. 181.70, April 184.30, June 187.00, Aug. 189.00, Oct. 192.50, Dec. 195.00, Feb. 197.70. Sales: 4,453 lots.

†Lard—Chicago loose 22.50 (same). NY prime steam 24.00 asked (24.00 traded).

‡Maize—May 250½-250¾ (251), July 249-248½ (251½), Sept. 247, Dec. 248-247½, March 255-254½, May 257.

§Platinum—July 216.40-216.50 (218.00), Oct. 218.90-219.00 (221.60), Jan. 221.00-222.10, April 224.90-225.10, July 227.50-227.70, Oct. 229.20-231.20, Jan. 232.00-234.20. Sales: 778 lots.

‖Silver—May 503.20 (508.70), June 504.50 (508.30), July 508.50, Sept. 515.50, Dec. 527.00, Jan. 531.00, March 539.20, May 547.40, July 556.00, Sept. 564.60, Dec. 578.70, Jan. 582.20, March 591.40. Sales: 7,000 lots. Handy and Harman spot bullion 502.70 (507.00).

Soyabeans—May 708-705 (727½), July 693-695 (709), Aug. 675-674½, Sept. 637-637½, Nov. 610-611, Jan. 615-616, March 622-621, May 627.

‖Soyabean Meal—May 174.40-174.50 (176.40), July 176.00-176.70 (177.90), Aug. 173.50, Sept. 171.60-170.50, Oct. 165.90, Dec. 164.70-174.00, Jan. 165.00-166.00, March 168.00-169.00, May 169.00-169.50.

Soyabean Oil—May 25.50-25.90 (27.37), July 25.80-25.77 (26.63), Aug. 24.25-24.90, Sept. 22.90-22.95, Oct. 23.05-23.00, Dec. 21.55-22.00, Jan. 22.55, March 22.50, May 22.20.

Sugar—No. 11: July 7.62-7.64 (7.55), Sept. 7.88-7.89 (7.81), Oct. 8.02, Jan. 8.40 bid, March 8.83-8.84, May 9.00-9.01, July 9.15-9.18, Sept. 9.33-9.37, Oct. 9.45-9.50. Sales: 1,770 lots.

Tin—540.00-546.00 asked (530.00-545.00 asked).

**Wheat—May 299 (300), July 300-300¼ (303½), Sept. 304½, Dec. 311½, March 315-315½, May 315-314½.

WINNIPEG, May 8. ††Rye—May 104.60 (102.50 bid), July 101.60 bid (101.10), Oct. 103.20 asked, Nov. 102.50 bid, Dec. 103.20 asked.

††Oats—May 86.70 (87.00), July 81.70 (81.00), Oct. 78.40 asked, Dec. 76.40 asked, March 76.00.

‡‡Barley—May 79.20 (79.50), July 79.00 (79.00 bid), Oct. 79.10 asked, Dec. 78.40 bid, March 78.60.

§§Flaxseed—May 253.50 bid (252.20 bid), July 256.60 (257.20 bid), Oct. 250.50, Nov. 260.00, Dec. 260.20 asked.

**Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 160.00 (161.74).

All cents per pound ex-warehouse unless otherwise stated. *$s per troy ounce—100 ounce lots. †Chicago loose $s per 100 lbs—Dept. of Ag prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡Cents per 56 lb bushel ex-warehouse, 5,000 bushel lots. §$s per troy ounce for 50 oz. units of 99.9 per cent purity delivered NY. ‖Cents per troy ounce ex-warehouse. ¶New "B" contract in $s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. **Cents per 60 lb bushel in store. ††Cents per 34 lb bushel. ‡‡Cents per 48 lb bushel ex-warehouse. §§Cents per 56 lb bushel ex-warehouse. 1,000 bushel lots. ¶¶$C per tonne.

Cotton crops uncertainty

WASHINGTON, May 8.

UNCERTAINTY OVER the 1978-79 world cotton crop has led cotton to be withheld from the market in some countries causing the tightness in supplies of current season lower quality cottons, the International Cotton Advisory Committee reported.

Reuter

STOCK EXCHANGE REPORT

Markets drift in absence of follow-through support

Long gilts lose ⅜ and 30-share index eases 1.4 to 480.1

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 17	Apr. 27	Apr. 28	May 10
May 2	May 11	May 12	May 23
May 15	May 25	May 26	Jun. 7

An attempt to extend last week's rise in equities lacked conviction and from noon onwards the lack of any follow-through demand was responsible for a drifting tendency. A similar situation in British Funds ended with the longer maturities down ⅜ at the official close and a little more was lost in later, unofficial, business.

Both equities and funds were gradually affected by doubts whether or not interest rates had yet found a new level, nervousness over last night's vote in the Commons on the Finance Bill, the Confederation of British Industry prognostications on difficult export market prospects and worries about to-day's clearing banks' eligible liabilities.

An anxious eye was also being kept on the trend in sterling, so it was not surprising that recent buyers of leading equities decided to defer any new commitments until such time as some of the problems are resolved. Interest in secondary and situation stocks failed to abate, the latter being highlighted by the unexpected Northern Food's agreed offer for Pork Farms and the terms from the parent company of RKT Textiles.

The overall fluctuation in the FT Industrial share index was limited to just over 3 points, it being 1.9 higher at the 11 a.m. calculation and 1.4 easier at the close of 480.1. The broader-based FT-Actuaries Industrial Group index eased 0.1 per cent to 210.99, but strength in the Oil sector left the all-share index up 0.3 per cent, at 217.03. Rises in FT-quoted industrials, at 13-to-8, continued their supremacy over falls.

Gilts uncertain

A reluctance to invest while the current level of interest rates remained in doubt and nervousness remained about money supply—the latest clearing banks' eligible liabilities will be announced to-day—was clearly noticeable in the gilt-edged market. Once a small two-way trade had been completed, quotations drifted lower and the longer-dated issues eventually surrendered half of Friday's gains of ¾ while the shorts were ⅛ or so easier. The trend continued after the official close of business following sterling's late reaction. Corporations were little affected by the announcement of the £10m. Tyne and Wear 12 per cent. 1986 issue apart from the recently issued Greenwich 11¾ per cent. 1986 stock which, in £10-paid form gave up ⅛ at £8⅞. **Port of London Authority** stocks recovered from Friday's sharp reaction on the possible bankruptcy report; the 6½ per cent. rallied 5 points to £55 and the 3½ per cent. 2 points to £21.

Traded options were fairly active with 762 contracts made. **Courtaulds** and **Commercial Union** featured with 125 and 124 contracts respectively, while 115 were done in ICI. Grand Met 120 and BP 850, both new series in which dealings started yesterday, were traded 44 and 18 times respectively. A new 120 series in Land **Securities** is being introduced to-day.

The investment currency market had another fairly inactive day in which the premium continued to hover around 110 per cent. After touching 110½ per cent following sterling's easiness, it came back to settle ¼ up on balance at 110¼ per cent. Yesterday's conversion factor was 0.6805 (0.6763).

Com. Union firmer

After moving between extremes of 159p and 153p, **Commercial Union** closed 2 dearer on balance at 156p following the first-quarter figures which were in line with expectations. **Eagle Star**, however, ended 2 cheaper at 148p and **Royals** a penny softer at 386p; the latter's first-quarter results are due tomorrow.

Closing gains of up to 5 in the major clearing Banks reflected the prospect of improved profit margins when lending rates are raised in line with minimum lending rate. **Lloyds** and **Midland** both ended 5 better at 290p and 380p respectively. Discounts were inclined harder. **Alexanders**, 250p, **Allen Harvey and Ross**, 430p, **Smith St. Aubyn**, 82p and **Union**, 320p all appreciated 5, while **Gerrard and National** put on 4 to 174p. Hire Purchases gave ground on concern about the trend towards dearer credit. **Moorgate Mercantile** shed a penny to 10p as did **Wagon Finance**, to 42p.

Activity in the Brewery sector lessened considerably and leading issues were rarely altered. Second-line stocks to make progress included **M. Brown**, 7 up at 120p, and **Boddingtons**, 6 firmer at 164p.

Marchwell advanced 17 to 308p, after 325p, after the announcement of capital reorganisation plans and a forecast of a doubled dividend; the 4.9 per cent. Cumulative Preference shares rose 15 to 72p. **Newarthill** improved 7 to 157p in sympathy. **Richard Costain** firmed 6 to 290p ahead of to-day's preliminary results—while **Aberdeen Construction** added 7 to 98p in further response to results. **Taylor Woodrow** closed 8 dearer at 382p and **Tilbury Contracting** 5 up to 268p. **C. H. Pearce** responded to increased annual profits and the chairman's confident statement with a rise of 20 to 130p, while fresh demand added 9 to **Ibstock Johnsen** at 162p. Demand in front of annual results, due on Thursday, added a penny to **J. B. Holdings** at 63½p, and, despite reduced profits, **Tysons Contracting** firmed a like amount to 25½p.

In Chemicals, **ICI** eased 4 to 354p on lack of interest and **Fisons**, initially firmer at 359p, closed only a penny higher at 355p. Secondary issues held up better with **Anchor Chemical** putting on 3 to 79p and **Brent** 2 to 224p, after 226p.

HTV N V benefited from Press comment and put on 3 to 119p. In sympathy **LWT A** firmed 7 to 135p and **Ulster Television A** 6 to 60p.

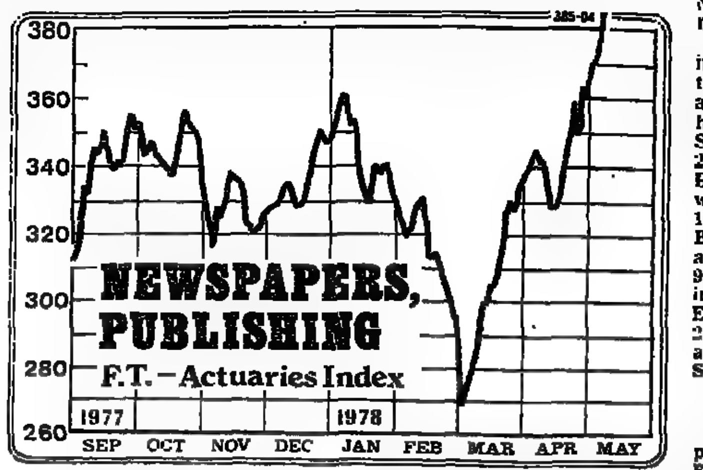
Vernon Fashion good

The volume of business in the leading Stores contracted quite considerably after last week's activity. Quotations subsequently drifted gently lower with **Marks and Spencer** closing 2 easier at 145p and **Burton A** a penny lower at 117p, the latter despite favourable comment ahead of Thursday's interim results. Elsewhere, **Vernon Fashion** continued to draw benefit from recent excellent trading news and finished a further 7 higher at 118p. **Foster Bros.** gained 4 to 106p as did **Status Discount** to 166p. Among Shoes, improvements of 2 and 4 respectively were seen in **Booth (International)**, 64p, and **Ward White**, 75p.

Inclined harder at the start, Electrical leaders drifted back and final quotations were a shade lower on balance. Elsewhere, demand in a restricted market lifted **Louis Newmark** 7 to 170p, while Press mention left **Decca** 8 to the good at 448p and the "A" a similar amount dearer at 438p. Fresh interest was shown in **Racal** which touched 238p before settling at 234p for a rise of 4 on balance. Similar improvements were recorded in **Electronic Rentals**, 120p, and **Muirhead**, 183p.

Engineering leaders finished the day with modest losses, but selective interest was being shown in secondary issues. Among the more noteworthy movements, **Bonser Engineering**, 6 to the good at 54p, reflected favourable week-end Press mention. **M. Mole** came to life with a rise of 4 to 31p, while **Williams and James** firmed 4½ to 71½p. Rises of around 3 were marked against **Duport**, 72p, **Manganese Bronze**, 86p, and **United Wire**, 60p. **Turriff** firmed 4 to 89p ahead of Thursday's preliminary statement. In contrast, the chairman's report of a slowdown in current trading prompted a fall of 3½ to 32p in **Weeks Associates**.

Highlight of the Food sector was a jump of 198 to 665p in **Pork Farms** on news of the agreed cash or cash and share exchange offer worth 675p and 683p respectively from **Northern Foods**, which closed 3 cheaper at 92p. Elsewhere, **Robertson Foods**, an old speculative favourite, moved up 7 to 145p, while **Hillards** closed 6 higher at 201p following the announcement of the acquisition of 17 discount food stores from Fitch Lovell. **J. Bibby** improved to 232p in response to Press mention before drifting back to close unaltered on balance at 229p. Among Hotels and Caterers, **Brent Walker** were outstanding with a fresh rise of 7 to 66p. **Ladbroke** improved 4 to 205p, while **Trust Houses Forte** closed a penny dearer at 211p, after 213p.



Reed Int. down

Publicity given to a broker's adverse circular unsettled **Reed International** which lost 7 to 115p, while **Scottish and Universal Investments** gave up 4 to 119p, after 118p, awaiting further developments in the Lonrho bid situation. Other miscellaneous Industrial leaders generally drifted lower in thin trading, apart from **Reckitt and Colman** which improved 5 more to 480p on continuing consideration of the annual report. Secondary issues were featured by a rise of 8 to 68p, after 73p, in **Mitchell Cotts Transport** on the disclosure that parent Mitchell Cotts Group proposes to acquire the outstanding 23 per cent. of the company's equity it does not already own. **Booker McConnell** encountered speculative support and rose 11 to 236p and following Press comment, **Hoskins and Horton** gained 3 to 108p. The chairman's bullish statement helped **Wilkins and Mitchell** to advance 4 to 41p, while similar improvements were seen in **Lawtex**, 60p, and **Office and Electronic**, 104p. Week-end publicity given to the charges made against its chairman and managing director, Mr. R. S. Rubin in connection with their collapsed London and County Securities Banking Group in 1973 saw **Pentland Industries** lose a further 4 to 16p. **National Carbonising** receded 4 to 50p in sympathy with last Friday's announcement of Lasmo's North Sea dry well. **Lesney Products** eased a penny to 69p in front of to-day's preliminary results.

Among the occasional bright spots in the Motor sections, **Manchester Garages** were noteworthy for a rise of 2½ to 32½p following Press mention.

Mills and Allen rose 5 to 190p following Press comment and **More O'Ferrall** gained 6 to 110p in response to the better-than-expected results. **Usher Walker**, however, relinquished 2 to 50p on the results. Among Newspapers, North Sea oil favourite **Thomson** moved up 8 to 268p.

Properties encountered further investment demand in early trading, but closed below the best as interest waned. **Great Portland** held a rise of 6 at 280p and **Land Securities** firmed 3 to 203p after 204p. **Allnatt**, 192p, and **Berkeley Hambro**, 93p, put on 5 apiece while **Slough Estates** rose 3 to 113p. Other firm markets included **Bernard Sunley**, 5 better at 187p and **Brixton Estate**, 4 dearer at 96p, the latter in response to the increased profits and dividend. Elsewhere, **Evans of Leeds** added 2 more to 86p in narrow trading and, after fresh demand, **Control Securities** put on 2½ to 30p.

BP advance

Leading Oils made further good progress in a reasonable trade. **British Petroleum** advanced 26 to 850p following the placement of a large block of shares and, in sympathy, **Shell** firmed 8 to 582p; the latter's first quarter figures are due next week. Fresh interest lifted **Siebens U.K.** 10 to 330p, while **Lasmo** steadied at 170p after Friday's dry well setback. **Ranger**, also involved in the dry well operation, reflected Canadian market disappointment and fell 2¼ points at £24⅜. **British Borneo** added 6 to 150p in a thin trade.

Among Overseas Traders, demand was forthcoming for **Gill and Duffus** which pushed ahead to close 6 firmer at 250p.

Investment Trusts closed firmer for choice after a thin trade. **E.D.I.T.H.** advanced 7 to 290p and **Mooloya** revived with an improvement of 3 at 50p. Among Financials, **Akroyd and Smithers** gained 4 to 232p ahead of to-morrow's first-half figures and **M. and G.** closed a like amount dearer at 108p. Firm markets last week following the annual reports, **S. Pearson**, 204p, and **Pearson Longman**, 186p, both improved 4 more.

Following last Friday's late fall of 53 in reaction to the profits setback and omission of the final dividend, **Hunting Gibson** opened easier still and touched 130p before rallying to finish 5 firmer on the day at 145p.

Further scattered buying interest was shown in the Textile sector. Dealings were resumed in **RKT Textiles** at 93p compared with the suspension price of 72p following the cash bid worth 96p per share for the outstanding minority from Robert Kitchen Taylor. **A. Martin** met support and put on 5 to 90p, while a week-end Press comment left **Illingworth Morris** 2 firmer at 34p. Tobaccos passed a rather quiet session, but **Bats Industries** hardened a few pence further to 337p following news of the proposed acquisition of NCR's Appleton Paper division.

In South African Industrials, **O.K. Bazaars** were quoted 7 higher at 345p following the annual results.

Quiet Mines

Mining markets made an undistinguished start to the week with most sections moving narrowly either way in quiet trading.

A marginally firmer investment premium enabled South African Golds to register small gains despite the 50 cents decline in the bullion price to $172.375 per ounce, but rises were pared in the late trade following rumours that the talks over independence for Namibia (South West Africa) had broken down.

Nevertheless, the Gold Mines index was still 1.2 higher at 143.1. Among the heavyweights, **Randfontein** rose ¼ to £32¾ while **Vaal Reefs** hardened ⅛ to £11⅜.

Medium-priced issues showed **President Steyn** 31 better at 654p, and **St. Helena** 20 firmer at 727p, while the marginal **Durban Deep** put on 8 to 226p.

South African Financials were generally a shade better but again business was minimal. **De Beers** were moderately active and finally 5 to the good at 339p following U.S. demand in the late trade. **Transvaal Consolidated Land** also attracted some good buying and closed a half-point up at a 1978 high of £13½; half-year results are expected on Thursday.

Other South Africans to move ahead included **"Johnnies,"** ¼ harder at £11¼, and **Vogels**, which put on 5 to a 1978 high of 55p.

The lack of direction in U.K. equities left London-registered Financials barely changed, although **Gold Fields** dipped 2 to 188p owing to the lower bullion price.

Coppers were neglected but Platinums continued to reflect Cape interest, with improvements of 3 common to **Lydenburg** and **Rustenburg** at 80p and 78p respectively.

A firm showing in overnight domestic markets enabled Australians to make headway but buying interest was at a low level.

In Uraniums **Pancontinental** advanced ⅜ to equal the 1978 high of £11¼, while **Peko-Wallsend** rose 10 to 445p. **MIM Holdings** gained 4 at 178p, but profit-taking lowered **Hampton Areas** by 3 to 119p.

Tins responded to the continuing firmness of the metal price in London and Penang. Rises ranged to 10 in stocks like **Ayer Hitam**, 333p, and **Malayan Tin**, 350p while **Southern Kinta** put on 5 to a 1978 high of 190p.

FINANCIAL TIMES STOCK INDICES

	May 8	May 5	May 4	May 3	May 2	Apr. 28	A year ago
Government Secs.	71.43	71.73	71.40	71.42	71.27	71.28	69.47
Fixed Interest	72.65	72.34	73.95	73.95	73.81	74.57	69.57
Industrial Ordinary	480.1	481.5	474.6	471.9	469.6	465.7	454.2
Gold Mines	143.1	141.9	143.9	142.2	144.4	147.7	114.9
Ord. Div. Yield	5.58	5.58	5.66	5.69	5.72	5.77	5.08
Earnings Y'ld%(full)*	16.94	16.93	17.05	17.16	17.25	17.39	15.60
P/E Ratio (net) (*†)	7.90	7.90	7.84	7.80	7.76	7.69	9.42
Dealings marked	5,412	5,741	5,180	5,320	5,050	5,406	8,944
Equity turnover £m.	—	98.60	94.20	100.17	85.36	87.80	87.19
Equity bargains total	—	17,444	17,080	17,935	14,490	16,941	19,867

10 a.m. 482.8. 11 a.m. 483.4. Noon 481.7. 1 p.m. 480.9
2 p.m. 480.0. 3 p.m. 480.8.
Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. † Nil=7.78.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978		Since Compilation	
	High	Low	High	Low
Govt. Secs.	78.58 (5/1)	71.22 (27/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	72.34 (5/5)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	497.3 (6/1)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	168.6 (8/3)	130.3 (5/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	May 8	May 5
—Daily		
Gilt-Edged	145.8	149.2
Industries	201.1	218.8
Speculative	40.3	25.6
Totals	123.2	130.7
5-day Av'rage		
Gilt-Edged	152.6	154.0
Industrials	196.5	196.9
Speculative	34.0	32.7
Total	121.6	121.5

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (190)

LOANS (1)
FOREIGN BONDS (1)
AMERICANS (11)
CANADIANS (4)
BANKS (6)
BEERS (6)
BUILDINGS (9)
CHEMICALS (6)
CINEMAS (1)
DRAPERY STORES (7)
ELECTRICALS (4)
ENGINEERING (18)
FOODS (2)
HOTELS (3)
INDUSTRIALS (37)
INSURANCE (5)
MOTORS (5)
NEWSPAPERS (4)
PAPER & PRINTING (4)
PROPERTY (3)
SOUTH AFRICANS (1)
TEXTILES (8)
TRUSTS (29)
OILS (2)
OVERSEAS TRADERS (7)
RUBBERS (4)
TEAS (2)
MINES (6)

NEW LOWS (5)

BRITISH FUNDS (1)
Treasury Variable '82
CORPORATION LOANS (1)
Glasgow 9¼% '80-82
INDUSTRIALS (1)
Huntleigh
SHIPPING (1)
Hunting Gibson
SOUTH AFRICANS (1)
Rex Trueform A

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	62	13
Corpns. Dominion and Foreign Bonds	13	9	40
Industrials	443	274	832
Financial and Prop.	202	60	278
Oils	16	7	11
Plantations	12	1	26
Mines	49	18	55
Recent Issues	6	3	13
Total	739	414	1,28[illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
BP	£1	18	850	+26	884	720
Shell Transport	25p	11	582	+ 8	586	484
Turner & Newall 'New'	nil/pd.	11	26pm	+ 3	26pm	11pm
BATs Defd.	25p	10	287	+ 2	287	227
Burmah Oil	£1	10	54	+ 2	57	42
Barclays Bank	£1	8	353	—	358	296
ICI	£1	8	354	− 4	365	328
Lucas Inds.	£1	8	300	—	302	240
Tricentrol	25p	8	180	+ 2	184	130
Commercial Union	25p	7	156	+ 2	159	138
Grand Met.	50p	7	113	—	113½	87
GKN	£1	7	284	—	286	235
Horizon Midlands 'New'	nil/pd.	7	28pm	—	30pm	27pm
Marks & Spencer	25p	7	145	− 2	160	136
NatWest	£1	7	295	—	298	234

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Apr. 25	May 9	July 20	Aug. 1
May 10	May 22	Aug. 3	Aug. 17
May 23	Jun. 6	Aug. 17	Aug. 31

For rate indications see end of Share Information Service

Money was given for the call of Town and City Properties, Talbex, Laurence Scott, Queens Moat Houses, British Dredging, London and Northern, Tebbitt, Compton Sons and Webb, English Property, Midhurst White and Furness Withy. Puts were arranged in Phoenix Timber, Alpine Holdings and Reed International, while double options were transacted in Talbex, Town and City Properties and British Petroleum.

LONDON TRADED OPTIONS

		July		October		January		
Option	Ex'rcise price	Closing offer	Vol.	Closing offer	Vol.	Closing offer	Vol.	Equity close
BP	750	117	5	130	6	145	6	851p
BP	800	75	18	93	2	112	9	..
BP	850	42	12	62	3	83	3	..
Com. Union	140	21½	42	25	29	27	7	156p
Com. Union	160	8½	15	15½	26	17	5	..
Cons. Gold	160	19	—	27		29	3	169p
Cons. Gold	180	9	1	14½	—	18	6	..
Courtaulds	100	25½	5	26		27½	4	124p
Courtaulds	110	16½	7	19	15	20	2	..
Courtaulds	120	9½	31	12½		14½	—	..
Courtaulds	130	5	39	9	20	11½	2	..
GEC	220	38	2	45½	12	50	4	250p
GEC	240	23	2	29½	10	38	—	..
GEC	260	11½	11	20	20	27		..
Grand Met.	100	18½	5	23½	2	28½	3	114p
Grand Met.	110	11	10	16½	11	20	13	..
Grand Met.	120	6	9	13	4	16½	31	..
ICI	330	35	19	40	5	44½	11	354p
ICI	360	17	46	23	12	29	22	..
Land Secs.	180	29½	—	31½	10	34½	16	204p
Land Secs.	200	15½	15	17½	30	24	13	..
Marks & Sp.	140	12	30	18½	..	20	—	146p
Marks & Sp.	160	4½	21	7½	20	12	2	..
Shell	500	96	6	107	—	109	2	583p
Shell	550	51	3	65	1	74	8	..
Shell	600	25	19	35	1	47	1	..
Totals			585		251		167	

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p:	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
105	F.P.	26/4	143	112	Saga Holidays	145	+1	6.75	2.2	7.2	9.7

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price	+ or −
‡‡	F.P.	—	96p	91p	[illegible] Cnv. Prf.	96p	.....
§100	F.P.	—	$99⅝	$99⅝	Amer. Express Int. Fin. Variable [illegible]	$99⅝	.....
100p	F.P.	20/5	110p	100p	Armitage [illegible] 10⅝% 2nd Cum. Pref.	110p	...
100	F.P.	—	101½p	100p	Britannia [illegible] Conv. Cum. Red. 2nd Pref.	100p	.
‡‡	Nil	—	27½	27	[illegible] Malay. 10% 1st. Mort. [illegible]	27	..
£99	£10	25/8	9¼	8¾	Greenwich Lon. Boro. of 11¾% Red. 1986	8¾	−⅛
—	F.P.	26/4	105p	101p	[illegible] & Cattle [illegible] 10% Conv. Pref.	102p	...
—	F.P.	9/6	105p	102p	Menzies (J.) 9% Cum. Prf.	104p	..
*	F.P.	26/7	102½	102	Mid-Sussex Water 9% Red. Prf. 1983	102	...
100p	—	23/6	100p	100p	Pittard 9½% Cum. Prf.	100p	..
‡‡	F.P.	9/5	100	97	Tatlers 11½% Cnv. Uns. Ln. [illegible]	99	..
£99	£25	8/6	[illegible]	24	York Water 11% Deb. 1985	25	..

"RIGHTS" OFFERS

Issue Price p:	Amount Paid Up	Latest Renunc. Date		1978 High	1978 Low	Stock	Closing Price p:	+ or −
36	Nil	23/5	23/6	16½pm	12pm	Brown Boveri Kent	16½pm	+1½
50	F.P.	5/5	31/5	130	112	Bullough	130	+1
150cts	Nil	—	—	2pm	Nil	Deelkraal Gold Mining	Nil	.....
72	Nil	—	—	30pm	27pm	Horizon Midlands	28pm	.....
105	F.P.	5/5	19/5	140	126	London & Manchester Assurance	138	−2
50	Nil	15/5	9/6	25pm	22pm	[illegible]	22½pm	−½
152	Nil	16/5	13/6	26pm	11pm	Turner & Newall	26pm	+3

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. *F* Dividend and yield based on prospectus or other official estimates for 1979. *Q* Gross. *T* Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *pt* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of Ordinary shares as a "rights." ** Rights by way of capitalisation. †† Minimum tender price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former Preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants.

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Mon., May 8, 1978 Index No.	Day's Change %	Est. Earnings Yield% (Max.) Corp. Tax 52%	Gross Div. Yield% (ACT at 34%)	Est. P/E Ratio (Net) Corp. Tax 52%	Fri May 5 Index No.	Thurs. May 4 Index No.	Wed. May 3 Index No.	Tues. May 2 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (170)	212.35	—	17.51	5.61	7.94	212.27	209.43	208.56	205.72	178.75
2	Building Materials (27)	191.91	+0.8	17.79	5.65	8.06	190.46	187.55	186.41	183.98	149.44
3	Contracting, Construction (26)	346.45	+1.5	18.43	3.89	7.09	341.44	336.07	335.13	326.23	249.64
4	Electricals (15)	440.31	−0.9	15.54	4.03	9.12	444.06	437.21	438.75	434.42	348.27
5	Engineering Contractors (14)	310.95	+0.2	18.42	6.54	7.08	310.37	305.93	303.24	299.13	237.76
6	Mechanical Engineering (71)	169.33	−0.3	19.05	6.17	7.15	169.86	168.11	166.15	163.76	162.65
8	Metals and Metal Forming (17)	170.90	+0.4	16.49	8.20	8.16	170.17	168.23	168.42	166.61	152.59
11	CONSUMER GOODS (DURABLE) (52)	197.83	+0.4	17.08	4.80	8.38	197.11	195.83	194.76	191.28	162.86
12	Lt. Electronics, Radio TV (15)	234.99	+0.6	14.93	3.65	9.63	233.51	232.60	231.31	226.67	186.82
13	Household Goods (12)	173.38	—	16.60	6.50	8.28	173.45	172.26	171.59	171.21	159.81
14	Motors and Distributors (25)	124.19	+0.1	20.47	6.17	7.02	124.12	122.85	122.14	119.79	104.64
21	CONSUMER GOODS (NON-DURABLE) (178)	206.57	−0.1	15.63	5.63	8.70	206.79	203.59	201.78	199.74	172.31
22	Breweries (14)	241.57	+0.6	13.52	5.50	11.21	240.23	233.65	230.24	227.04	179.67
23	Wines and Spirits (6)	264.00	−0.4	15.32	5.46	9.90	265.10	263.14	263.37	258.36	198.88
24	Entertainment, Catering (17)	261.39	+0.3	13.49	6.53	10.72	260.55	257.01	254.17	251.81	216.88
25	Food Manufacturing (22)	196.08	—	20.16	5.50	6.56	195.99	193.19	192.30	190.71	178.21
26	Food Retailing (16)	199.38	−0.8	14.23	4.69	9.69	200.97	198.67	196.23	192.48	182.99
32	Newspapers, Publishing (13)	385.04	+2.0	10.51	3.22	13.75	377.55	370.95	370.86	365.86	294.38
33	Packaging and Paper (15)	133.01	−1.0	19.62	8.92	7.22	134.31	133.20	133.46	133.69	116.60
34	Stores (39)	187.69	−0.6	11.02	4.30	13.32	188.86	186.42	185.24	184.77	149.29
35	Textiles (25)	187.08	−0.6	20.24	7.14	6.02	188.14	184.56	183.47	181.05	169.66
36	Tobaccos (3)	256.30	+0.5	21.57	7.30	5.51	254.91	249.77	243.73	238.57	223.96
37	Toys and Games (6)	101.07	−1.1	20.94	5.95	6.25	102.15	101.45	97.60	96.30	99.91
41	OTHER GROUPS (97)	193.27	−0.2	16.50	5.86	7.99	193.73	191.26	189.27	187.45	177.19
42	Chemicals (19)	262.12	−0.9	19.22	6.61	7.11	264.44	260.09	257.39	255.38	243.10
43	Pharmaceutical Products (7)	257.84	−0.3	11.22	3.96	11.15	258.58	255.70	252.36	251.32	0.00
44	Office Equipment (6)	133.38	+1.2	18.29	4.84	6.47	131.81	129.50	130.27	128.24	99.89
45	Shipping (10)	439.34	−0.5	18.06	7.15	6.81	441.34	441.42	437.46	432.93	491.35
46	Miscellaneous (55)	204.70	+0.2	16.42	6.28	8.26	204.23	201.87	199.36	196.62	181.13
49	INDUSTRIAL GROUP (495)	210.99	−0.1	16.39	5.62	8.31	211.13	208.25	206.61	204.25	180.68
51	Oils (5)	497.83	+2.3	14.83	3.98	7.31	486.83	474.87	475.41	471.67	501.59
59	500 SHARE INDEX	234.71	+0.3	16.15	5.37	8.14	234.05	230.47	228.96	226.47	206.53
61	FINANCIAL GROUP (100)	169.74	+0.5	—	5.44	—	168.81	165.38	163.62	161.64	138.53
62	Banks (6)	201.59	+0.6	23.64	5.35	6.40	200.34	197.45	195.91	195.10	154.21
63	Discount Houses (10)	202.36	+1.7	—	8.29	—	198.97	194.11	193.64	195.67	166.40
64	Hire Purchase (5)	145.07	−0.7	13.49	5.52	10.98	146.14	145.21	144.36	140.86	141.48
65	Insurance (Life) (10)	142.86	+0.7	—	6.37	—	141.88	137.81	135.01	133.22	109.71
66	Insurance (Composite) (7)	133.25	+0.4	—	6.40	—	132.67	128.60	126.58	124.22	111.83
67	Insurance Brokers (10)	350.86	+0.1	13.83	4.18	10.36	350.35	345.60	340.05	333.94	283.22
68	Merchant Banks (14)	79.74	−0.2	—	6.04	—	79.87	79.32	79.25	77.59	67.90
69	Property (31)	223.11	+1.0	3.02	3.13	63.98	220.83	216.39	215.12	212.75	195.87
70	Miscellaneous (7)	107.90	+0.2	24.21	7.36	5.72	107.64	106.91	107.55	106.48	92.05
71	Investment Trusts (50)	206.57	+0.6	3.20	4.66	31.29	205.23	204.18	203.91	202.54	179.50
81	Mining Finance (4)	93.07	−0.5	17.76	7.40	6.90	93.57	92.95	90.73	90.81	101.08
91	Overseas Traders (19)	314.17	+1.0	15.37	6.26	8.12	310.93	311.40	310.63	308.92	286.23
99	ALL-SHARE INDEX (673)	217.03	+0.3	—	5.40	—	216.28	213.00	211.46	209.23	189.42

FIXED INTEREST PRICE INDICES

	British Government	Mon. May 8	Day's change %	xd adj To-day	xd adj. 1978 to date
1	Under 5 years	106.06	−0.04	0.21	3.55
2	5-15 years	116.97	−0.34	—	2.07
3	Over 15 years	120.61	−0.41	—	4.97
4	Irredeemables	131.34	−0.64	—	6.08
5	All stocks	113.80	−0.26	0.09	3.87

	FIXED INTEREST YIELDS Br. Govt. Av. Gross Red		Mon. May 8	Fri. May 5	Year ago (approx.)
1	Low Coupons	5 years	8.45	8.44	7.52
2		15 years	10.80	10.73	10.86
3		25 years	11.33	11.25	11.97
4	Medium Coupons	5 years	10.78	10.69	9.67
5		15 years	12.05	11.99	11.72
6		25 years	12.23	12.17	12.42
7	High Coupons	5 years	11.05	10.99	10.53
8		15 years	12.61	12.55	12.81
9		25 years	12.96	12.92	13.07
10	Irredeemables		11.07	11.00	12.08

		Monday, May 8 Index No.	Monday, May 8 Yield %	Friday May 5	Thurs. May 4	Wed. May 3	Tuesday May 2	Friday April 28	Thurs. April 27	Wed. April 26	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	57.87	†12.83	58.43	58.43	58.45	58.45	58.52	58.52	58.64	54.90
16	Investment Trust Prefs. (15)	53.27	13.32	54.23	54.29	54.89	54.84	54.84	54.84	54.75	50.63
17	Coml. and Indl. Prefs. (20)	71.25	12.85	71.05	71.23	71.17	70.81	71.01	71.01	71.01	71.52

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

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هكذا من الأصل

هكذامت الأجل

INSURANCE, PROPERTY, BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Equity Fund	35.1	37.0	.....	—
Equity Acc	29.5	31.1	.....	—
Property Fd	146.6	154.4	.....	—
Property Acc.	152.7	160.8	.....	—
Selective Fund	86.9	91.5	.....	—
Convertible Fund	129.5	136.4	.....	—
♥Money Fund	120.5	126.9	.....	—
Pens. Property	171.8	180.9	.....	—
Pens. Selective	82.0	86.4	.....	—
Pens. Security	134.5	141.6	.....	—
Pens. Managed	172.4	181.5	.....	—
Pens. Equity	152.0	160.0	.....	—
♥Prop. Fd. Ser. 4	125.8	132.5	.....	—
♥Man. Fd. Ser. 4	130.4	137.3	.....	—
♥Equity Fd. Ser. 4	32.9	34.7	.....	—
♥Conv. Fd. Ser. 4	110.7	116.6	.....	—
♥Money Fd. Ser. 4	108.8	114.6	.....	—

Prices at May 2. Valuation normally Tues.

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

♥Equity Fd. Acc.	174.1	183.2	.....	—
♥Fixed Int. Acc.	136.5	143.7	.....	—
♥Gtd. Money Fd. Ac.	113.5	119.4	.....	—
♥Intl. Man. Fd. Acm.	102.2	107.6	.....	—
♥Prop. Fd. Acc.	107.8	113.4	.....	—
♥M'ple Inv. Acc.	158.4	166.7	.....	—
Equity Pen. Fd. Acc.	204.1	214.8	.....	—
Fixed I. Pen. Acc.	171.7	180.7	.....	—
G'td. Mon. Pen. Acc.	127.5	134.2	.....	—
Intl. Mn. Pn. Fd. Acc.	107.8	113.5	.....	—
Prop. Pen. Acc.	121.5	127.8	.....	—
M'ple Inv. Pen. Acc.	192.7	202.8	.....	—

AMEV Life Assurance Ltd.♥
Alma Hse., Alma Rd., Reigate. Reigate 40101.

AMEV Managed	131.9	139.0	.....	—
AMEV Mgd. 'B'	108.1	113.8	.....	—
AMEV Money Fd.	104.3	109.8	.....	—

General Portfolio Life Ins. C. Ltd.♥
60 Bartholomew Cl., Waltham Cross. WX31971

Portfolio Fund		132.0	.....	—
Portfolio Capital	41.7	47.8	.....	—

Gresham Life Ass. Soc. Ltd.
2 Prince of Wales Rd., B'mouth. 0202 767655

G.L. Cash Fund	95.9	100.9	.....	—
G.L. Equity Fund	101.8	107.2	.....	—
G.L. Gilt Fund	110.1	115.9	.....	—
G.L. Intl. Fund	116.7	122.8	.....	—
G.L. Ppty. Fund	95.9	100.9	.....	—

Growth & Sec. Life Ass. Soc. Ltd.♥
Weir Bank, Bray-on-Thames, Berks. Tel. 34284

Flexible Finance		£1,053	.....	—
Landbank Secs.		54.71	.....	—
Landbank Scs. Acc.	114.9	117.9	.....	—
G. & S. Super Fd.		£7.878	.....	—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7107

Property Bonds	174.4	181.6	.....	—

Hambro Life Assurance Limited ♥
7 Old Park Lane, London, W1 01-499 0031

Fixed Int. Dep.	124.5	131.1	.....	—
Equity	171.8	180.9	.....	—
Property	160.6	169.1	.....	—
Managed Cap.	136.8	144.1	.....	—
Managed Acc.	168.7	177.6	.....	—
Overseas	119.0	125.3	.....	—
Gilt Edged	122.7	129.2	.....	—
American Acc.	97.8	103.0	.....	—
Pen. F.I. Dep. Cap.	127.0	133.7	.....	—
Pen. F.I. Dep. Acc.	147.3	155.1	.....	—
Pen. Prop. Cap.	201.4	212.0	.....	—
Pen. Prop. Acc.	258.0	271.6	.....	—
Pen. Man. Cap.	200.3	210.9	.....	—

NPI Pensions Management Ltd.
48, Gracechurch St., EC3P 3HH. 01-623 4200

Managed Fund	146.1	152.2	.....	—

Prices May 3. Next dealing June 1.

New Zealand Ins. Co. (U.K.) Ltd.♥
Maitland House, Southend SS1 2JS 0702 62955

Kiwi Key Inv. Plan	132.4	136.5	.....	—
Small Co's Fd.	102.1	107.5	+0.4	—
Technology Fd.	104.4	109.9	+0.3	—
Extra Inc. Fd.	110.3	105.6	-1.0	—
American Fd.	108.7	114.4	+1.6	—
Far East Fd.	102.1	107.5	-0.3	—
Gilt Edged Fd.	102.8	108.2	.....	—
Con. Deposit Fd.	95.9	100.9	.....	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

Managed Fund	207.6	218.5	-0.1	—
Equity Fund	334.6	352.2	+1.1	—
Property Fund	125.1	131.6	.....	—
Fixed Int. Fund	149.9	157.7	+0.7	—
Deposit Fund	105.0	110.5	+0.1	—
Nor. Unit. Apr. 15		191.2	.....	—

Phoenix Assurance Co. Ltd.
4-5, King William St., EC4P 4HR. 01-626 9876

Wealth Ass.	111.9	117.9	-1.2	—
Eb'r. Ph. Ass.		74.6	.....	—
Eb'r. Ph. Eq. E.	71.5	75.1	.....	—

Prop. Equity & Life Ass. Co.♥
119, Crawford Street, W1H 2AS. 01-486 0857

R. Silk Prop. Bd.		178.8	.....	—
Do. Equity Bd.		70.8	.....	—
Flex Money Bd.		147.9	.....	—

Equity & Law Life Ass. Soc. Ltd.♥
Amersham Road, High Wycombe

Equity Fd.	113.4	119.3	+0.2	—
Property Fd.	105.0	110.5	.....	—
Fixed Interest F.	106.4	112.0	-0.4	—
Gtd. Deposit Fd.	98.4	109.5	.....	—
Mixed Fd.	109.4	115.1	.....	—

Nel Mxd. Fd. Cap.	47.7	50.2	.....	—
Nel Mxd. Fd. Acc.	47.9	50.4	.....	—

Next Sub. Day May 25

For New Court Property see under Rothschild Asset Management

BASE LENDING RATES

A.B.N. Bank	7½%	■ Hambros Bank	7½%
Allied Irish Banks Ltd.	7½%	■ Hill Samuel §	7½%
American Express Bk.	7½%	C. Hoare & Co. †	7½%
Amro Bank	7½%	Julian S. Hodge	8½%
A P Bank Ltd.	7½%	Hongkong & Shanghai	7½%
Henry Ansbacher	7½%	*Industrial Bk. of Scot.*	7½%
Banco de Bilbao	7½%	Keyser Ullmann	7½%
Bank of Credit & Cmce.	7½%	Knowsley & Co. Ltd.	9 %
Bank of Cyprus	7½%	Lloyds Bank	7½%
Bank of N.S.W.	7½%	London Mercantile	7½%
Banque Belge Ltd.	7½%	Edward Manson & Co.	9 %
Banque du Rhone	8 %	Midland Bank	7½%
Barclays Bank	7½%	■ *Samuel Montagu*	7½%
Barnett Christie Ltd.	8½%	■ Morgan Grenfell	7½%
Bremar Holdings Ltd.	8½%	National Westminster	7½%
Brit. Bank of *Mid. East*	7½%	Norwich General Trust	7½%
■ Brown Shipley	7½%	P. S. Refson & Co.	7½%
Canada Perm'nt Trust	7½%	Rossminster Accept'cs	7½%
Capitol C & C Fin. Ltd.	8½%	Royal Bk. Canada Trust	7½%
Cayzer Ltd.	8 %	*Schlesinger Limited*	7½%
Cedar Holdings	8 %	E. S. Schwab	9½%
■ Charterhouse Japhet	7½%	Security Trust Co. Ltd.	8½%
Choulartons	7½%	Shenley Trust	9½%
C. E. Coates	8½%	Standard Chartered	7½%
Consolidated Credits	7½%	Trade Dev. Bank	7½%
Co-operative Bank *	7½%	Trustee Savings Bank	7½%
Corinthian Securites	7½%	Twentieth Century Bk.	8½%
Credit Lyonnais	7½%	United Bank of Kuwait	7½%
The Cyprus Popular Bk.	7½%	Whiteway Laidlaw	8 %
Duncan Lawrie ¶	7½%	Williams & Glyn's	7½%
Eagil Trust	7½%	Yorkshire Bank	7½%
English Transcont.	9 %		
First London Secs.	7½%		
First Nat. Fin. Corpn.	10%		
First Nat. Secs. Ltd.	9½%		
■ Antony Gibbs	7½%		
Greyhound Guaranty	7½%		
Grindlays Bank ‡	7½%		
■ Guinness Mahon	7½%		

■ Members of the Accepting Houses Committee.

* 7-day deposits 4%, 1-month deposits 4¼%.

† 7-day deposits on sums of £10,000 and under 4%, up to £25,000 4¼% and over £25,000 5%.

‡ Call deposits over £1,000 4%.

§ Demand deposits 5%.

¶ Rate also applies to *Sterling Ind. Secs.*

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mgrs. Ltd. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Capital	32.9	35.0	+0.2	3.82
Abbey Income	39.6	42.1	+0.1	5.32
Abbey Inv. Tst. Fd.	34.6	36.8	+0.1	4.17
Abbey Gen. Tst.	45.8	48.7	+0.1	3.78

Allied Hambro Group (a) (g) (z)
Allied Hambro Group (a) (g) Essex
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	65.6	70.2	+0.2	5.41
Brit. Inds. Fund	64.4	68.9	+0.4	5.38
Grth. & Inc.	36.1	38.6	-0.1	5.18
Elect. & Ind. Dev.	32.8	35.1xd	+0.2	5.04
Allied Capital	71.1	76.1xd	+0.4	4.25
Hambro Fund	105.8	113.2	+0.5	5.03
Hambro Acc. Fd.	119.6	128.0	+0.1	4.43

Income Funds

High Yield Fd.	67.7	72.4	+0.5	7.98
High Income	68.1	72.4	+0.6	6.17
A.H. Eq. Inc.	38.8	41.5	+0.2	6.62

International Funds

International	25.2	27.0	.....	2.52
Secs. of America	53.4	57.2	+0.4	2.01
Pacific Fund	38.2	40.9	-0.2	2.64

Specialist Funds

Smaller Co.'s Fd.	33.9	36.3	+0.3	4.82
2nd Smlr. Co's Fd.	41.6	44.5	+0.3	5.05
Recovery Sits.	84.4	90.3xd	.....	5.70
Met. Min. & C'dty.	38.9	41.6xd	+0.4	5.50
Overseas Earnings	58.2	62.3	+0.2	4.49
Expt. Smlr. Co's	209.2	220.2xd	+1.4	5.45

Anderson Unit Trust Managers Ltd.
158 Fenchurch St. EC3M 6AA 623 8231

Anderson U.T.	45.8	49.0xd	.....	4.64

Ansbacher Unit Mgmt. Co. Ltd.
1 Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	162.0	172.0	.....	8.60

Gartmore Fund Managers ♥ (a)(g)
2, St. Mary Axe, EC3A 8BP. 01-283 3531

(z)American Tst.	27.4	29.5	+0.3	0.46
British Tst. (Acc.)	54.3	58.6	-0.1	3.08
Commodity Share	148.1	159.3	-1.6	3.02
(z)Far East Trust	30.7	33.0	-0.4	0.76
High Income Tst.	57.5	61.9	+0.4	8.50
Income Fund	70.8	76.1	+0.4	6.79
Ins. Agencies	13.75	14.36	+0.15	3.49
Intl. Exempt Fd.	85.6	92.9xd	-0.1	6.15
(z)Intl. Tst. (Acc.)	32.1	34.5	.....	1.43

Gibbs (Antony) Unit Tst. Mgs. Ltd.
23, Blomfield St., EC2M 7NL. 01-588 4111

(a)A.G. Income*	40.8	43.8xd	-1.7	8.20
(a)A.G. Growth††	37.5	40.3	.....	4.90
(a)A.G. Far East*	23.1	24.8	+0.1	0.30

Dealing *Tues. ††Wed.

Govett (John)♥
77, London Wall, E.C.2. 01-588 5620

S'hldr. May 5	134.2	141.4	.....	2.06
Do. Accum. Unit	160.5	169.2	.....	2.06

Next dealing day May 19.

Grieveson Management Co. Ltd.
59 Gresham St., EC2P 2DS. 01-606 4433

Bar'gtn. May 3	199.0	208.4	.....	4.56
(Accum. Units)	215.7	225.9	.....	4.56
B'Hgn. May 4	174.1	182.4	.....	7.68
(Accum. Units)	200.2	209.7	.....	7.68
Endeav. May 2	174.5	182.8xd	.....	1.79
(Accum. Units)	180.7	189.3	.....	1.79
Grnchstr. May 5	91.8	96.2	.....	2.88
(Accum. Units)	94.6	99.1	.....	2.88
Ln. & Brsls. May 3	69.0	72.1	.....	2.84
(Accum. Units)	71.5	74.7	.....	2.84

Guardian Royal Ex. Unit Mgrs. Ltd.
Royal Exchange, EC3P 3DN. 01-628 8011

(ag) Guardhill Tst.	89.1	92.3	-0.4	4.38

Henderson Administration (a) (c) (g)
Premier UT Admin., 5 Rayleigh Road, Hutton, Brentwood, Essex. 0277-217 238

Perpetual Unit Trust Mngmt.♥ (a)
48 Hart St., Henley on Thames 04912 6868

P'petual Gp. Gth.	38.7	41.4	.....	3.66

Piccadilly Unit T. Mgrs. Ltd.♥ (a)(b)
Wardgate Hse., 59a London Wall EC2 638 0801

Extra Income	31.6	33.8	+0.3	9.40
Small Co's Fd.	41.6	44.4	+0.2	3.07
Capital Fund	47.8	51.1	+0.1	3.78
Int. Ems. & Assets	47.2	50.4	-0.3	3.22
Private Fund	37.8	40.5	-0.5	2.99
Accumltr. Fund	63.0	67.4	-0.5	3.08
Technology Fund	57.8	61.7xd	+0.1	4.56
Far East Fd.	25.5	27.4	.....	1.10
American Fund	25.5	26.8	-0.4	2.0

Practical Invest. Co. Ltd.♥ (y)(c)
44, Bloomsbury Sq. WC1A 2RA 01-623 8893

Practical Apr. 26	143.5	152.7xd	.....	4.21
Accum. Units	202.9	215.8	.....	4.21

Provincial Life Inv. Co. Ltd.♥
222, Bishopsgate, E.C.2. 01-247 6533

Prolific Units	79.9	85.6xd	-0.5	3.20
High Income	108.0	115.7xd	+0.3	7.59

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)
Holborn Bars, EC1N 2NH 01-405 9222

Prudential	125.0	132.5xd	.....	4.36

Quilter Management Co. Ltd.♥
The Stk. Exchange, EC2N 1HP. 01-600 4177

Quadrant Gen. Fd.	100.6	103.0xd	.....	4.40
Quadrant Income	119.9	123.7	.....	8.13

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

Opportunity Fd.	63.2	67.6	.....	5.78
Seckforde T. (Acc.)	41.6	44.5	+0.1	5.23
Seckforde T. Inc.	40.6	43.4xd	+0.1	5.23

Ridgefield Management Ltd.
PO Box 419, 38-40, Kennedy St., Manchester 061 236 8521

OFFSHORE AND OVERSEAS FUNDS

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 72177

Cap. Tst. (Jersey)	115.0	119.0xd	.....	4.20

Next dealing date May 10.

East & Intl. Tst. (C.I.)	111.0	118.0	.....	3.18

Next sub. May 11

Australian Selection Fund NV
Market Opportunities, c/o Irish Young & Outhwaite, 127, Kent St., Sydney

US$1 Shares		$US1.48	.....	—

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	$US118.25	118.81	.....	6.56

Prices at May 4. Next sub. day May 10.

Bnk. of Lndn. & S. America Ltd.
40-66, Queen Victoria St., EC4. 01-600 2313

Alexander Fund	$US6.83	—	.....	—

Net asset value May 3.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund LF	1,827	1,884	.....	7.90

Barclays Unicorn Int. (Ch. Is.) Ltd.
1, Charing Cross, St. Helier, Jsy. 0534 73741

Overseas Income	48.6	51.1	.....	10.84
Unidollar Trust	$US0.82	11.36	.....	4.25*
Unibond Trust	$US99.97	100.06	.....	8.00

*Subject to fee and withholding taxes

Barclays Unicorn Int. (I. O. Man) Ltd.
1 Thomas St., Douglas, I.o.M. 0624 4856

Unicorn Aust. Ext.	49.4	53.2	.....	1.70
Do. Aust. Min.	28.9	31.1xd	.....	1.90
Do. Grtr. Pacific	60.3	64.9	.....	—
Do. Intl. Income	38.5	41.4xd	.....	8.50
Do. I. of Man Tst.	46.0	49.5	.....	8.90
Do. Manx Mutual	25.0	26.9	.....	1.50

King & Shaxson Mgrs.
1 Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	9.22	9.23xd	.....	12.00
Gilt Trust (I.o.M.)	107.2	109.9	.....	11.75
Gilt Fnd. Guernsey	9.67	9.68	.....	12.00

Intl. Govt. Secs. Tst.

First Sterling	18.46	18.54	.....	—
First Intl.	184.52	184.91	.....	—

Kleinwort Benson Limited
20, Fenchurch St., EC3 01-623 8000

Eurinvest. Lux. F.		1,032	-4	3.39
Guernsey Inc.	58.5	62.0	.....	4.66
Do. Accum.	71.3	75.5	.....	4.62
KB Far East Fd.		$US10.16	.....	1.38
KB Intl. Fund		$US11.28	.....	2.04
KB Japan Fund		$US30.42	.....	0.53
K.B. U.S. Gwth. Fd.		$US11.40d	.....	0.79
Signet Bermuda		$US4.77	+0.06	1.68
*Unifonds (DM)	17.85	18.80	.....	9.04

*KB act as London paying agents only.

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561

Lloyds Tst. O'seas.	52.6	55.3xd	.....	1.85

Next dealing date May 15.

Lloyds International Mgmnt. S.A.
7 Rue du Rhone, P.O. Box 179, 1211 Geneva 11

Lloyds Int. Growth	SF328.00	343.00	.....	1.60
Lloyds Int. Income	SF306.00	318.00	.....	6.30

M & G Group
Three Quays, Tower Hill EC3R 6BQ 01-626 4588

Atlantic May 2	$US2.63	2.85	.....	—
Aust. Ex. May 3	$US1.90	2.14	.....	—
Gold Ex. May 3	$US7.43	8.59xd	.....	—

Jardine Estn. Tst.		$HK290.99	+11.31	3.00
Jardine J'pn. Fd.*		$HK321.15	+3.63	0.90
Jardine S.E.A.		$HK13.52	+0.40	2.30
Jardine Flem. Int. †		$HK9.46	+0.10	—

NAV April 28. *Equivalent $US.69.36
Next sub. May 15

Keyselex Mngt., Jersey Ltd.
PO Box 98, St. Helier, Jersey. (Eng. 01-606 7070)

Fonselex	Frs.1,410	1,500	+26	2.90
Bondselex	Fr.128.50	137.00	.....	—
Keyselex Int'l	£6.35	7.19	.....	4.17
Keyselex Europe	£3.80	4.27	.....	3.66
Japan Gth. Fund	$US20.60	$US25.49	.....	—
Keyselex Japan	£11.46	12.51	.....	—
Cent. Assets Cap.		£132.52	.....	.....

Gr. St. $ Fd. Apr. 30		$US6.85	.....	—
Mr. Eur. May 3	$US9.34	10.44	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd. April 27	$US12.26	12.57	.....	—
CMT Ltd. April 27	£12.35	12.66	.....	—
Metals Tst. Mar. 20	£11.49	11.72	.....	—
TMT April 13	$US9.55	9.80	.....	—
TMT Ltd. April 13	£9.74	9.99	.....	—

World Wide Growth Managementφ
10a, Boulevard Royal, Luxembourg.

Worldwide Gth. Fd.		$US13.94	.....	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by φ. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.
Index Guide as at 25th April, 1978 (Base 100 at 14.1.77.)

Clive Fixed Interest Capital	128.14
Clive Fixed Interest Income	113.87

CORAL INDEX: Close 477-482

INSURANCE BASE RATES

† Property Growth	9½%
† Vanbrugh Guaranteed	8½%

† Address shown under Insurance and Property Bond Table.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
102½	100⅛	Treasury 10½pc '78‡‡	100⅛	.. ..	10.46	8.32
99⅝	98¾	Exch 5pc '76-78‡‡	96¾	.. ..	5.06	8.25
105¼	102⅛	Treasury 11½pc '79‡‡	102¼	....	11.25	8.58
97	94¾	Treasury 3pc '79‡‡	95⅛	−⅛	3.14	6.59
97⅞	95½	Electric 4¼pc '74-79	96⅛	−⅛	4.42	7.22
104⅝	101⅛	Treasury 10½pc '79‡‡	101⅛	−⅛	10.35	9.40
96½	94¾	Electric 3½pc '76-79	95⅝xd	−⅛	3.66	6.56
103¼	98⅞	Treasury 9pc 1980‡‡	99⅛	−⅛	9.06	9.39
102⅝	99⅞	Treasury 9½pc '80‡‡	100⅛xd	−⅛	9.48	9.40
95⅛	92⅞	Treasury 3½pc '77-80	93¼	.....	3.75	7.01
96½	94	Funding 5¼pc '78-80‡‡	95⅛	.. ..	5.52	7.80
110¼	105¼	Exchequer 13pc 1980‡‡	105⅞xd	−⅛	12.28	10.31
106¼	102¾	Treasury 11½pc 1981‡‡	102½	−⅛	11.22	10.38
91½	88⅝	Treasury 3½pc 1979-81	89½		3.91	7.77
101¾	98¼	Treasury 9¾pc 1981‡‡	98¼	−⅛	9.87	10.24
97½	95¾	Exch 8¼pc 1981	95⅛xd		8.68	10.17
100¼	97¼	Exch 9½pc 1981	97¼	−½	9.77	10.52
87½	86¼	Exch 3pc 1981	85¾	−⅛	3.46	7.63
99⅞	96⅛	Treas Variable '81‡‡	96⅛xd		6.37	10.12
111	105¼	Exch 12¾pc 1981‡‡	105⅛xd	−⅛	12.05	10.72
99⅛	94⅛	Treas 8½pc '80-82‡‡	94½	−⅛	8.99	10.31
86⅝	83¾	Treasury 3pc '82‡‡	84⅛		3.56	7.86
115⅞	109⅝	Treasury 14pc '82‡‡	109⅛	−⅛	12.76	10.84
96	95⅛	Treas Variable '82‡‡	95⅛	−⅛	9.32	10.30
96⅛	92	Treasury 8¼pc '82‡‡	92½	.....	8.95	10.64
100¼	94½	Exch 9¼pc 1982	94⅞	..	9.75	10.72
96½	92¾	Exch 8¾pc 1983	92⅞	..	9.42	10.71
85¼	80¾	Exch 3pc '83	81		3.70	7.83
114¼	104⅛	Treasury 12pc 1983‡‡	104⅛	−⅛	11.50	10.80

Five to Fifteen Years

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
100¼	95¾	Treasury 9¼pc '83	96¼	−⅛	9.85	10.80
89⅛	84¼	Funding 5½pc '82-84‡‡	84¾	−⅛	6.62	9.41
96⅞	91⅞	Treasury 8¼pc '84-86‡‡	92¼	−⅛	9.50	10.44
83⅞	79	Funding 6½pc '85-87‡‡	79½	−⅛	8.19	10.04
89⅛	82¼	Treasury 7¾pc '85-88‡‡	84	−⅛	9.47	10.81
68⅛	61¾	Transport 3pc '78-88	62¾	−⅛	4.86	8.78
75⅜	65⅝	Treasury 5pc '86-89	66⅛	−⅛	7.60	10.11
115¼	107⅛	Treasury 13pc 1990‡‡	108⅝	−⅛	12.43	12.24
89⅛	81¼	Treasury 8¼pc '87-90‡‡	83	−⅛	10.35	11.37
106½	98⅛	Treasury 11¾pc 1991	99¾	−⅛	12.25	12.38
73¼	65	Funding 5¾pc '87-91‡‡	65¼	−⅛	8.89	10.90
112⅛	103¼	Treasury 12¾pc '92‡‡	105¼	−⅛	12.58	12.52
96⅛	85½	Treasury 10pc 1992	87⅝	−⅛	11.69	12.18
113	99	Exch 12¼pc '92	100½	−⅛	12.49	12.54

Over Fifteen Years

1978 High	Low	Stock	£	+ or −	Yield Int.	Red.
110⅝	101	Treasury 12½pc '93‡‡	103⅛	−⅛	12.57	12.58
72⅛	62¼	Funding 6pc 1993‡‡	62¾	−⅛	9.70	11.27
120¼	105⅛	Treasury 13¾pc 1993‡‡	106⅛xd	−⅛	12.89	12.75
128⅞	113⅛	Treasury 14½pc '94‡‡	114⅛	−⅛	13.02	12.79
114⅛	100¼	Exch 12½pc 1994	101⅛	−⅛	12.66	12.67
89⅞	78	Treasury 9pc '94‡‡	78⅝xd	−⅛	11.42	11.97
106¾	98¼	Treasury 12pc '95	99¼	−⅛	12.52	12.59
51⅞	44⅛	Gas 3pc '90-95	45	−⅛	6.68	9.66
95	85¾	Exch 10¼pc 1995	87¼	−⅛	12.08	12.39

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

AMERICANS—Continued

1978 High	Low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
30¼	20¾	Fluor Corp $½	28¾	+⅛	$1.20	—	2.4
41¾	26⅝	Ford Motor $2	40¼xd	.. ..	$3.20	—	4.5
23⅛	16⅛	GATX	23⅛xd	+⅛	$2.50	—	6.1
42½	29⅞	Gen. Elect $2½	41⅞	...	$2.20	—	3.0
22⅞	15⅛	Gillette $1	21⅞xd	−⅛	$1.50	—	3.8
43	28	Honeywell $1.50	41⅝	+¼	$1.90	—	2.6
13⅛	750p	Hutton E.F.	13¼	+¾	$0.68	—	2.9
216½	171	I.B.M. Corp $5	211⅝	−⅛	$11.52	—	2.7
46⅝	34	Ingersoll-R $2	45	−⅛	$3.00	—	3.8
17⅝	735p	Int. Systems & Con $1	13½	−⅜	25c	—	1.0
976p	705p	I. U. International‡	968p	−3	90c	—	5.2
27½	18	Kaiser Al. $⅓	27	......	$1.60	—	3.3
29⅛	20	Manf. Han. US$7.50	28⅞	......	$2.08	—	4.0
39⅛	26⅝	Morgan (JP) US$2.5	37⅜	−⅛	$2.20	—	3.3
16⅞	12	Norton Simon Inc. $1	16⅛xd	+⅜	£0⅛	—	2.6
18	13⅛	Owens-Ill. $3.125	16⅞	+¼	h$1.06	—	3.6
18⅛	14⅛	Quaker Oats US$5	18⅛	+⅛	$1.04	—	3.3
26⅞	15⅛	Reliance $0.25	26⅞	......	15c	—	—
27⅜	16¼	Rep. N.Y. Corp. $5	26⅝	+⅜	$1.00	—	2.4
15⅞	11	Rexnord $5	15⅞xd	+⅛	80c	—	2.8
19½	14⅛	Richdsn.-Mrrll $1¼	18	......	90c	—	2.8
576p	255p	Saul (B. F.) $1	544p	−2	—	—	—
28⅞	18½	Shell Oil $1	28⅞	+1⅞	h$1.60	—	3.1
18½	11⅞	Singer ($10)	18	−⅛	60c	—	1.9
32½	22⅜	Sperry Rand $0.50	32¼	+⅛	$1.12	—	2.0
31¾	18⅝	TRW Inc. $1¼	30¼	......	$1.80	—	3.3
26⅝	18⅛	Tenneco	26⅝	+½	$2.00	—	4.2
157	131	Do 10% Ln. Stk. 91-95	157	+2	10%	—	6.5
846p	505p	Tesoro Pt. US$0.16⅔	846p	+27	—	—	—
22	16⅞	Texaco $6.25	20⅜	...	$2.00	—	5.6
38⅛	22⅞	Time Inc.	38½	+⅜	$1.50	—	2.2
13⅛	865p	Transamerica $1	12⅝	−⅛	80c	—	3.6
34⅞	21¼	Utd. Tech. $US5	34½	+1¼	$2.00	—	3.3
23⅛	17¾	U.S. Steel $1	21¾xd	−⅛	$1.60	—	4.2
17	11½	Woolworths $3½	16	−½	$1.40	—	4.9
40½	28⅞	Xerox Corp. $1	39⅛	+⅛	$2.00	—	2.9
635p	385p	Xonics Inc. 10c	605	..	7½c	—	0.7
13¼	10⅞	Zapata Corp. 25c	13⅝	−⅛	s30c	—	1.2

S.E. List Premium 47¼% (based on $US1.8182 per £)

Conversion factor 0.6805 (0.6765)

CANADIANS

1978 High	Low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
14⅛	10⅛	Bk. Montreal $2	13⅞	−⅛	$1.06	—	3.6
14⅛	10⅛	Bk. Nova Scotia $1	14⅛	−⅛	92c	—	3.1
40⅛	30¼	Bell Canada 25c	40⅛	+⅛	$4.2	—	4.9
19⅝	12	Bow Valley‡	19⅝	+1⅛	10c	—	0.2
12	625p	Brascan‡	11⅞	−⅛	$1.00	—	4.0
20⅛	13⅝	Can. Imp. Bk. $2	19⅛	+⅛	$1.44	—	3.5

S.E. List Premium 47¼% (based on $2.0463 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Cont.

1978 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
26	20	Cal'nder (GM) 10p	22xd	......	1.32	2.8	9.1	5.9
48	40	Carr (John)	46		hd0.91	7.1	3.0	7.1
58	40	Carron	54	+1	3.58	1.1	10.1	(13.8)
81	68½	Cement Roadstone	81xc		h2.96	3.5	5.5	(7.8)
38	28	Comben Gp. 10p	32	+1	†1.47	2.2	7.0	(7.9)
290	236	Costain R.	290	+6	†3.46	9.5	1.8	8.8
41	31	Countryside 5p	40	......	d1.19	1.9	4.5	(13.0)
71	62	Crossley Bldg.	71xd	......	4.13	0.5	8.8	(55.6)
99	80	Crouch (D.) 20p	87	......	3.94	3.3	6.9	6.7
73	65	Crouch Group	71	......	†d2.74	2.5	5.8	10.3
105	84	Douglas Robt. M.	88	......	†dh3.11	5.4	5.4	5.2
220	200	D'wning G.H. 50p	208	......	†10.30	3.4	7.6	5.0
72	53	Econa 10p	67	......	†3.96	2.5	9.2	4.7
97	69	Ellis & Everard	80	......	5.03	1.1	9.7	14.3
81	68	Erith	81	+3	5.49	1.5	10.3	10.2
26	16	F.P.A. Const'n	23	......	1.14	1.9	7.5	10.5
71	60	Fairclough Cons.	70xd	−1	2.49	3.4	5.4	8.2
25	19	Feb. Intl. 10p	24	......	1.76	ϕ	11.6	ϕ
23	19	Do. 'A' 10p	23	......	1.76	ϕ	12.1	ϕ
47	34	Fed. Land & Bld.	46		2.3	2.3	7.6	8.8
35	21	Finlan (John) 10p	27	+1	—	—	—	—
15	11½	Francis Pkr. 10p	14	......	—	—	—	—
47	43	Francis (G.R.) 10p	43	......	d3.54	1.6	12.5	7.6
35	26	French Kier	31	......	†1.5	2.7	7.3	7.6
66½	52½	Galliford Br. 5p	56½	......	3.07	2.8	8.2	6.5
29	25	Gibbs D'dy A 10p	28	+½	1.82	2.5	9.8	6.1
49	41	Gleeson (M.J.) 10p	48	......	1.84	3.5	5.8	7.4
58	48	Glossop W.	58	......	†3.49	2.4	9.1	6.8
86	74	G'gh Cooper 20p	81	+1	5.28	1.4	9.9	11.1
37	30	H.A.T. Grp. 10p	33	......	†1.95	3.3	9.0	4.3
66	54	Harrison J. 10p	57	......	‡†2.54	4.8	6.7	4.7
36	21	Helical Bar	35	−1	‡2.03	1.2	‡	15.0
66	59	Hend'sn. 'A' 10p	59	......	†3.96	3.3	10.2	4.6
154	138	Henderson (J. W.)	152		7.54	2.3	7.5	8.8
62	49	Hewden St. 10p	62	+1	1.29	ϕ	3.2	ϕ
£250	£220	Do. 7pc Conv	£250		Q7%	ϕ	†2.8	—
112	64	Heywd Wm. 50p	109	−1	—	—	—	—
92	72	Higgs & Hill	86xd	.. ..	3.45	ϕ	6.1	ϕ
78	66	Hoveringham	77xd	.. ..	2.08	ϕ	4.1	ϕ
68	55	Do Res. Vtg.	68xd	+2	2.08	ϕ	4.6	ϕ
33	22	Howard Shut 10p	25	+1	†1.56	3.8	9.5	4.3
118	104	I.D.C. 20p	117	......	d8.98	0.7	11.6	17.7
162	125	Ibstock Johnsen	162	+9	6.24	3.8	5.7	6.1
136	108	Int. Timber	123	+1	†6.29	2.8	7.8	6.9
64½	51	J.B. Holdings 5p	63½	+1	m0.97	11.7	2.3	5.6
30	22	J.C.E.G.	27	......	‡1.51	1.9	‡	9.4
197	162	Jarvis (J.)	180	......	†8.60	2.5	7.2	6.4
115	90	Jennings SA0.50	113	......	‡Q20c	—	‡	—
130	79	Johnson-Richards	130	......	ϕh1.65	b6.9	1.9	11.6
17	12	Jones Edwd. 10p	15	+1	0.92	1.8	9.4	9.2
45	35	Kent (M.P.) 10p	42xd	+1	†2.06	1.8	7.5	11.3
£33⅛	£18⅝	Lafarge S.A. F100	£32⅞	......	Q15%	3.5	6.2	4.6
164	121	Laing (John) 'A'	164	+4	3.12	q7.1	2.9	6.5
125	110	Latham (J.) £1	125	......	†h6.72	2.6	8.9	6.6
104	89	Lawrence (W.)	90	......	6.5	1.8	11.0	7.5
86	70	Leech (Wm.) 20p	77	.. ..	5.08	1.8	10.0	8.7
69	57	Leyland Paint	65	−1	3.70	ϕ	8.8	ϕ

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Cont.

1978 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
68	62	Goldberg A.	67	......	†3.8	3.4	8.6	13.0
11	10	Goodman Br. 5p	10½	......	h0.75	3.3	10.8	4.3
146	109	Grattan Ware	122	−1	5.56	2.3	6.9	9.5
316	266	Gt. Universal	306	−4	†7.43	3.1	3.7	13.3
312	256	Do. 'A' Ord.	298	......	†7.43	3.1	3.8	13.0
46½	39½	Gre. Millets 10p	46	+1½	1.75	3.5	5.8	(5.5)
37	26	Hardy (Furn.)	37	......	0.2	—	0.8	—
36	29	Do. 'A' NV	32	......	0.2	—	1.0	—
19	15	Helene Lon. 10p	17½	+½	0.67	ϕ	6.0	ϕ
174	155	Do. 12pc Cnv. Prf.	170	−2	12%	ϕ	10.7	—
87	63	Henderson K. 20p	79	+1	d2.21	5.4	4.2	5.0
23	18½	Henriques A 10p	23	......	1.80	ϕ	12.7	ϕ
66	54	Hepworth (J.) 10p	62xd	......	†2.3	2.2	5.6	12.5
148	100	Home Charm 10p	148xd	......	d3.62	4.0	3.7	10.1
152	120	House of Fraser	148xd	−3	4.77	2.9	4.9	10.9
66	52	House of Lerose	55xd	+1	3.92	ϕ	10.8	ϕ
21	10	Knott Mill 10p	15½	......	—	—	—	26.8
46½	35¾	Ladies Pride 20p	43	−1	h1.93	4.1	6.8	4.5
135	102	Lee Cooper	135	......	†h1.65	9.8	1.8	3.8
£27	£19	Liberty £1	£27xd	......	46.2	ϕ	2.6	ϕ
£26½	£19	Do Non Vtg. Ord. £1	£25½xd	−½	46.2	ϕ	2.8	ϕ
60	52	Lincroft K. 10p	55	+2	3.49	3.9	9.6	3.0
82	54	MFI Furniture 10p	78	......	h†d1.98	2.9	3.8	13.4
19	13	Maple 10p	18½	−½	—	—	—	—
160	136	Marks & Spencer	145	−2	4.24	q2.3	4.5	14.3
258	225	Martin News	253	+1	6.6	4.8	4.0	6.0
163	131	Menzies (J.)	158	......	3.51	9.6	3.4	4.6
11	8	Michael (J.) 10p	11	.. ..	—	—	—	—
92	77	Mid. Educat. 20p	92	+2	†4.24	2.5	7.0	8.7
52	42	Morris Blakey	50	......	4.17	1.0	12.6	11.7
200	146	Mothercare 10p	164		2.92	ϕ	2.7	ϕ
119	100	NSS News 10p	117	−1	2.12	5.1	2.8	10.6
88	68	Owen Owen	88xd	......	2.85	ϕ	4.9	ϕ
24	20	Paradise (B.) 10p	24		‡1.07	—	‡	—
39	25½	Pawson (W.L.)	34½	−1	0.25	—	1.1	—
41	33	Peters Stores 10p	41	......	†d1.00	4.8	3.8	8.3
11½	6½	Polly Peck 10p	8½	......	—	—	—	17.1
89	71	Preedy (Alfred)	87	......	†2.85	5.2	5.0	12.5
6½	3½	Ramar Text. 5p	6½	......	h0.21	4.8	4.9	(1.5)
74½	56	Rainers 10p	68	......	h0.38	12.6	0.8	6.9
77	62	Raybeck 10p	76	......	†3.03	2.1	6.0	11.8
36	30	Readicut 5p	32½	+½	†1.44	3.2	6.7	7.1
88	64	Reed Austin 'A'	86	......	2.86	ϕ	5.0	ϕ
20	13	Rivlin (D&S) 10p	20	......	‡1.19	0.8	‡	(28.5)
14	11	Rosgill 5p	14	......	—	—	—	—
17	9	S&U Stores 12½p	14	......	—	—	—	—
18	9	Do. 25% Pf. 12½p	14½	......	—	—	—	—
273	237	Samuel (H) 'A'	267	−2	†7.61	2.9	4.3	12.2
28	21	Selincourt 5p	26	−½	b1.22	4.3	7.1	5.2
14	9	Sherman (S) 10p	12½	......	—	—	—	—
168	138	Smith W. H. 'A' 50p	154xd	−1	2.30	q5.7	2.2	11.5
154	109	Stanley A.G. 5p	154	+4	5.83	2.5	5.7	7.6
166	121	Status Disct. 10p	166	+4	d4.06	2.6	3.7	15.7
17½	13	Steinberg 10p	17½	+1	d0.87	1.8	7.5	11.1
28	22	Sumrie 20p	22	......	1.27	1.2	8.7	14.4
136	105	Time Prods. 10p	136	......	†1.52	8.7	1.7	10.2
98	82	UDS Group	94	......	5.10	ϕ	8.5	ϕ

ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

1978 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
72	61	Duport	72	+3	†4.08	b3.4	8.6	4.0
164	126	Edbro (Hldgs.)	153	......	†5.69	4.3	5.6	6.3
103	89	Elliott (B.)	100	......	†4.8	3.5	7.3	5.9
86	75	Eng. Card Cloth	86	......	†2.66	5.7	4.7	5.0
107	87	Eva Industries	88	−1	†4.8	3.9	8.3	5.6
72	55	Expanded Metal	72	+1	3.68	1.8	7.7	9.3
124	116	Farmer (S.W.)	120xd	+1	5.05	ϕ	6.4	ϕ
9	6	Finsider Lire 500	7½	.. ..	—	—	—	—
40	20	Firth (G.M.) 10p	24	......	‡4.03	0.9	‡	6.9
82	56	Fluidrive 20p	68	......	3.32	2.7	7.4	7.2
22½	20	Folkes Hfo n/v 5p	22	......	†d1.24	3.5	8.5	5.1
68	55	Francis Inds.	68	......	3.37	ϕ	7.7	ϕ
83	65	GEI Intnl. 20p	75	+1	†3.77	2.0	7.6	10.0
92	82	Garton Eng. 10p	92	+4	5.7	2.8	9.7	5.5
23	18½	Gen. Eng. Rad. 10p	21	......	h0.97	3.1	7.0	5.2
117	95½	Glynwed	117	+2	8.20	ϕ	11.2	ϕ
23	18	Gorin. Johnson-S.	23	......	ϕ1.52	2.3	10.0	6.6
58½	57	Grah'm Wood 20p	58½	......	ϕ1.96	2.4	5.1	(9.6)
900	700	Granges K100	850	......	—	—	—	—
56	50	Greenbank 10p	55	−1	d1.67	3.2	4.6	10.1
84	65	Green's Econ.	70	−2	4.24	2.2	9.2	7.4
286	255	G.K.N. £1	284	......	15.56	1.9	8.3	7.8
35	21½	Habit Precision 5p	34	+1	d2.0	1.3	8.9	20.6
101	88	Haden Carrier	101	+2	7.80	ϕ	12.3	ϕ
98	81	Hall Eng. 50p	96	+2	4.43	4.0	7.0	5.2
212	167	Hall Matthew	211	−1	†6.44	2.8	4.6	11.7
144	115	Hallite 50p	136	......	†5.8	3.0	6.5	7.8
13	9¼	Hampson	11¼	+¼	†dh0.68	3.0	9.2	4.7
25	21	Hartle Machy.	25xd	.. ..	1.8	1.0	11.0	13.2
216	166	Hawker Sid.	210	−4	4.08	q6.1	3.0	8.1
55	32¾	Hill & Smith	55	......	d2.19	5.7	6.0	3.1
100	73	Hopkinsons 50p	99xd	−1	5.06	ϕ	7.7	ϕ
35	27	Howard Machy.	28	−2	2.23	0.8	12.1	(17.6)
69½	55½	Howden Group	60	......	3.65	1.0	9.2	(16.1)
30	25	Hunt Moscrop 5p	28	......	†0.7	3.9	3.8	10.3
61½	55	I.M.I.	60	......	3.29	2.5	8.3	7.0
29	23	Jacksn. J&HB 5p	27	......	d0.91	5.2	5.1	5.7
68	49½	Jenks & Cattell	68	......	h1.16	8.1	2.6	7.2
67	59	Johnson & Firth	66	......	ϕ4.69	2.1	10.9	(5.4)
87	80	Jones Group 10p	80	−1	3.58	ϕ	7.0	ϕ
124	106	Jones Shipman	122	+1	5.38	3.4	6.7	6.6
93	74½	Laird Group	91	−2	2.94	3.5	4.9	(6.4)
63	47	Lake & Elliot	51	−1	3.51	1.4	10.4	10.5
65	48	Lane (Percy) 10p	56	+2	3.28	3.4	8.9	3.9
24	21	Lee (Arthur) 12½p	23½	......	1.45	1.9	9.4	8.4
66	57	Ley's Foundries	65½	......	4.3	1.7	9.9	9.2
38	29	Linread	38xd	......	b2.50	1.4	8.0	10.6
72	67	Lloyd (F.H.)	68½	......	†4.82	2.4	10.7	6.1
20¼	14½	Locker (T) 5p	20¼	......	†0.78	3.1	5.9	8.2
19½	13½	Do. 'A' 5p	19	......	†0.78	3.1	6.3	7.7
82	74½	London & Midl'd.	77½	+1	ϕ4.76	2.7	9.4	6.1
133	88	M.L. Holdings	123	.. ..	†3.92	3.7	4.8	8.6
101	73	Mangan Bronze	86	+3	1.88	9.5	3.3	3.4
160	134	Martonair 20p	160xd	......	†5.34	3.0	5.1	9.0
92	84	McKechnie Bros.	90	......	†4.95	2.6	8.5	6.8
18	11½	Meggitt 5p	17	......	0.4	5.4	3.5	7.9
46	33	Metalrax 5p	45	..	d1.13	5.1	3.8	7.5
44	35	Midland Inds. 5p	43	+1	d0.99	6.9	3.5	6.3

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

1978 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
113½	87	Grand Met. 50p	113	......	4.25	2.9	5.7	9.3
90	75	Kursaal (M'lt) c25	90	......	†Q40%	1.0	6.8	20.8
215	162	Ladbroke 10p	205	+4	7.0	3.8	5.2	7.5
18½	15	Mt. Charlotte 10p	16½	−½	0.49	3.3	4.5	(7.6)
210	180	Myddleton 50p	207	+2	F6.6	4.5	4.8	8.7
44	25	Norfolk Cap 5p	38	+1	0.6	3.3	2.4	16.2
46	36	North (M. F.) 10p	43	......	0.91	ϕ	3.2	ϕ
165	76	Prince of Wales	165	......	2.51	ϕ	2.3	ϕ
38	21½	Queen's Moat 5p	38	+1½	†d0.12	3.7	0.5	65.7
166	138	Rowton Hotels	158	−1	†5.7	1.9	5.5	15.1
78	64	Savoy 'A' 10p	74	......	1.12	4.7	2.3	12.8
39	30	Stakis (Reo) 10p	36	......	1.04	3.5	4.4	9.9
13¼	9½	Swan Ryan Intl. 5p	13½	−¼	ϕ‡1.25	†1.0	‡	—
213	166	Trust H. Forte	211	+1	8.21	2.4	5.9	8.7
34½	22	Warner Hols. 5 10p	33	+1	1.18	2.6	5.4	9.2
310	225	Wheeler's 10p	310	......	†4.41	4.8	2.2	14.8

INDUSTRIALS (Miscel.)

1978 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
122	92	A.A.H.	106	+2	m6.05	2.1	8.6	7.8
99	79½	AGB Research	91	−1	K3.4	2.1	5.7	13.7
66	52	Aaronson Bros. 10p	66	......	1.97	4.0	4.5	(6.2)
42	35	Abbey Ltd.	39	−2	†Q1.0	—	2.6	—
18	11¼	Abrasives Int. 10p	18	......	h0.37	—	3.1	—
56	43	Airfix Inds. 20p	54	−2	†2.9	2.1	8.1	8.3
57	36	Alpine Hldgs. 5p	56	−1	†1.64	1.4	4.5	24.8
298	268	Amal. Metal (£1)	290	......	15.81	1.4	8.3	(11.3)
67	51	Ang. Am. Asphalt	53	......	†2.42	3.9	6.9	5.5
50	34	Arenson (A) 10p	47	......	†d1.94	3.7	6.3	(3.3)
62	44½	Assoc. Leisure 5p	58	+2½	†2.72	2.1	7.1	9.3
35	27	Ass. Sprayers 10p	33	......	—	—	—	16.6
13¾	9½	Austin F (Ley) 10p	12¾	......	†0.55	2.6	6.5	8.9
205	174	Avon Rubber £1	198	−1	9.27	5.2	7.1	2.9
63	45	BBA Group	52	..	2.38	3.1	7.2	5.0
114	95	B.E.T. Defd.	106	+1	†5.19	2.9	7.4	7.7
79	63	BOC Intnl.	74½	−½	3.13	3.8	6.4	5.2
281	207	BTR	281	......	9.24	3.1	5.0	8.2
172	145	Baird (Wm.) £1	171xd	+1	9.28	3.0	8.3	5.8
38	25½	Barget (D)	26	.. ..	—	—	—	—
223	178	Barlow Rd. R10c	217	+3	Q26c	2.9	7.2	4.8
83	60	Barr & W.A.T. 'A'	83	+1	3.38	4.4	6.2	5.6
52	31	Barrow Hepburn	32	......	1.38	4.4	6.9	5.3
82	62	Bath & Portland	68	+1	3.3	4.3	7.4	3.9
£38¼	£32	Baxter Travenol	£32⅜	+⅛	Q28.5c	8.0	0.5	45.1
203	152	Beatson Clark	203	+3	5.16	6.3	3.8	5.4
678	583	Beecham	660	−4	‡18.48	2.1	4.2	13.2
16	12½	Bellair Cos. 10p	16	......	—	—	—	—
28½	24	Bentima	25xd	+1	1.71	ϕ	10.4	ϕ
62	54	Berisfords	58	......	2.45	4.7	6.4	5.8
57	46	Berwick Timpo	51	+2	2.99	3.8	9.2	5.2
164	141	Bestobell	160xd	......	9.52	1.8	9.0	(7.4)
86	79	Biddle Hldgs.	82	......	6.67	ϕ	12.3	ϕ
53	45	Bifurcated Eng.	48	+2	3.00	3.5	8.9	4.5
46	38	Billam (J.) 10p	42	......	†2.96	1.6	10.7	8.8
35	26	Black Arrow 50p	32	......	†0.8	1.8	3.8	14.0
119	96	Black Edg'tn 50p	116	−2	4.47	ϕ	5.8	ϕ
137	125	Black (P) Hldgs.	135	......	†5.75	3.0	6.5	7.9
72	61	Bodycote Int'l	63½xd	+½	2.72	ϕ	6.5	ϕ
34	28	Bogod Pel. 'A' 10p	34	.. ..	†1.79	4.3	8.0	4.5
256	127	Booker McC. 50p	256	+11	7.32	4.6	4.4	7.6
212	173	Boosey & Hawkes	191	..	5.08	4.6	4.0	7.8
197	125	Boot (Henry) 50p	137	−1	d9.18	1.9	10.2	(37.2)

هكذا مضى الأجل

INDUSTRIALS—Continued

1978 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
41	32	L.K. Ind'l. Invs.	40	−1	2.60	φ	10.2	φ
*73	37	L.R.C. Int. 10p	41	......	12.23	2.6	8.2	7.3
68	53	Lawtex	60	+5	2.91	4.8	7.4	4.2
153	128	Lead Inds. 50p	151xd	......	7.37	q2.5	7.4	6.6
105	99	Leadenhall Sterling	105	......	4.09	φ	5.9	φ
49	38	Le Bas (Ed.)	41	......	†1.65	—	6.1	—
56	43½	Leboff Fobel 10p	54	......	†1.62	2.5	4.6	13.3
70	46	Lebus Harris	52	......	3.27	2.9	9.5	(4.2)
186	134	Leigh Ints. 5p	150	−1	6.55	1.5	5.6	18.3
120	102	Leisure Car. 10p	118	−2	†h4.03	b2.2	5.2	13.5
245	235	Lep Group 10p	235	......	†3.1	8.9	2.0	5.9
70	57	Lesney Prods. 5p	69	−1	†d2.64	4.6	5.8	5.4
168	98	Letraset 10p	136	−1	b5.39	2.4	6.0	8.9
24½	15	Liden 10p	20½	+1½	—	—	—	—
47	32	Lindsay & Wms.	43xd	−1	3.00	φ	10.6	φ
151	128	Lindustries	143	−½	9.0	2.0	9.5	7.4
29½	24	Lon. & Nthn. Grp.	29	......	§2.0	2.4	10.4	6.8
38	34	Long Humbly. 10p	36xd	......	g1.58	5.8	6.7	3.2
64	52	Longton Trans	60	......	†d3.46	3.7	8.9	3.4
85	68	Lonsdale Univrsl.	84	+3	4.63	2.3	8.4	6.0
178	163	Low & Bonar 50p	175	−3	10.89	2.5	9.4	5.0
70	54	M.Y. Dart 10p	60xd	+1	†2.14	3.9	5.4	5.4
21	18	Mecanite Ldn. 10p	20	......	1.80	1.1	13.6	(9.3)
103	90	M'c'rthy Ph. 20p	98	−1	3.94	4.1	6.1	4.7
64	60	Macfarlane Gp.	62	......	3.84	φ	9.4	φ
425	315	McBride Rbt. 10p	425	......	4.90	φ	1.7	φ
14½	10	McCleery L'A	14½	......	0.25	—	2.6	—
62	55	Macpherson (D.)	62	......	2.64	3.7	6.4	6.3
66	58	Md'me Tus'ds 5p	64	......	♦K3.19	1.5	7.6	13.4
82	73	Magnolia Group	82	+2	2.70	φ	5.0	φ
79	70	Mngmt. Ag M. 10p	73	......	5.61	2.7	11.6	4.9
222	196	Man. Ship Can. £1	222	+2	15.56	1.3	11.1	10.3
20	17	Marling Ind. 10p	18	......	db0.92	2.2	7.7	9.1
49	33	Marshall L'sy. 'A'	45xd	......	d2.49	4.7	8.4	3.0
168	134	Marshall's Univ.	158	......	7.02	φ	6.9	φ
59	45	Martin-Black	56xd	......	4.00	—	10.8	—
£101	£86½	Mathesons 7¾pc.	£101	......	Q7¾%	2.3	17.9	—
136	120	Maynards 25p	136	......	†4.86	4.0	5.4	7.0
23	20	Medminster 10p	21	......	†1.82	1.5	13.1	7.6
14½	10	Mentmore 5p	13½	......	0.92	φ	11.1	φ
320	288	Metal Box £1	320	......	†13.51	3.2	6.4	7.1
85	77	Metal Closures	83	......	4.21	2.9	7.7	6.9
48	36	Mettoy	46	......	2.12	5.4	6.9	3.3
204	140	Mln. Mrstrs. 50p.	196xd	......	♦§5.68	4.8	4.4	7.2
73	49	Mt. Cotts. Tr'spt.	68	+1	†3.36	2.4	7.5	8.3
£127	£100	M'santo 5pc 82-6	£126	+3	Q5%	19.8	(4.0)	—
11½	7½	Monument 10p	9¼	......	—	—	—	15.8
*132	106	Morgan Crucible	118	......	5.31	φ	6.9	φ

PROPERTY—Continued

1978 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
228	170	Stanley (S.) Ins.	187	+5	3.95	—	3.2	—
54	31½	Swire Properties	53	......	Q18½c	φ	4.6	φ
70	56	Town Centre	59	......	0.82	1.2	2.1	59.0
17	12	Town & City 10p	12	−½	0.01	—	—	—
98	82	Trafford Park	95	+1	†3.65	1.4	6.0	18.0
24	18½	U.K. Property	20	+½	—	—	—	—
282	242	Utd. Real Prop.	250	+2	5.17	1.2	3.1	41.5
148	119	Warner Estate	121	......	2.66	1.5	3.3	30.7
292	262	Warnford Inv. 20p	268	......	†4.86	1.6	2.8	34.1
20	14	Webb (Jos.) 5p	15½	......	hd0.48	2.5	4.7	13.2
19	16	W'minster P. 20p.	16	......	—	—	—	—
34	30	Winston Ests.	32½	+½	1.27	1.5	6.1	16.9

SHIPBUILDERS, REPAIRERS

1978 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
75	64	Hawthorn L. 50p.	72	−1	—	—	—	—
157	129	Swan Hunter £1	131	......	6.06	1.8	7.9	10.9
181	135	Vosper	162	......	4.65	4.5	4.3	6.0
295	260	Yarrow 50p	260	......	†4.61	4.7	2.7	8.6

SHIPPING

1978 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
294	252	Brit. & Com. 50p.	275	−2	†8.42	4.1	4.6	7.9
200	117	Common Bros. 50p.	134xd	−3	5.81	—	6.6	—
150	112	Fisher (J.)	143	......	1.53	φ	1.6	φ
348	206	Furness Withy £1	275	......	†7.43	6.3	4.1	4.9
235	130	Hunting Gibsn. £1	145	+5	5.00	φ	5.2	φ
41½	36	Jacobs (J. I.) 20p.	37½	......	d1.85	1.2	7.5	16.1
39	30	Lon. O'Seas. Frtrs.	32½	......	3.37	3.8	15.7	(1.8)
145	121	Lyle Shipping	122	−1	4.90	0.5	6.2	52.7
255	220	Man. Liners 20p.	220	......	5.10	φ	3.6	φ
20	12½	Mersey Dk. Units	18½	......	—	—	—	0.6
84	66	Milford Docks £1	74	......	2.72	4.3	5.6	5.9
138	117	Ocean Transport	126½	......	8.25	2.6	9.9	(4.5)
118	91	P. & O. Defd. £1	96	−1	6.54	q1.5	10.5	(8.5)
140	92	Reardon Sm. 50p	92	......	†1.64	3.9	‡	10.3
46	34	Do. 'A' 50p	40	......	†1.64	3.9	‡	4.5
115	97	Runciman (W.)	107	......	†8.16	2.5	11.6	5.3

SHOES AND LEATHER

1978 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
22	16½	Allebone 10p	18½	......	1.00	φ	‡	φ
65	60	Booth (Intn'l.)	64	+2	§4.39	4.3	10.4	3.3
67	59	Footwear Invs.	59	......	†d3.89	2.4	10.0	6.4
104	93	Garnar Scotblair	96xd	......	4.50	φ	7.1	φ
36	29	Headlam Sims 5p	35	......	g1.25	4.5	5.4	7.0
87	64	Hiltons 20p	87	......	4.90	φ	8.5	φ
60	47	K Shoes	59	+1	2.27	3.7	5.8	5.4
41	36	Lambert Hth. 20p	40	......	3.17	2.5	12.0	5.1
49	38	Newbold & Burt'n	49	......	2.80	3.0	8.6	5.8
50	40	Oliver (G) 'A'	46	......	1.87	2.7	6.2	9.1
55	46¾	Pittard Grp.	53xd	−2	2.77	4.2	7.9	4.5
39	33	Stead & Sim 'A'	39	......	†h1.92	1.6	7.4	13.2
70	57	Strong & Fisher	62	+2	†4.24	2.4	10.4	6.2
55	41	Stylo Shoes	52	......	1.72	φ	5.2	φ
29	18¾	Turner W & E 10p	29xd	+1	h1.16	3.8	6.1	6.6
76	66½	Ward White	75	+4	M3.96	φ	8.0	φ
32½	24	Wearra 10p	25	−½	1.31	2.6	8.0	7.4

SOUTH AFRICANS

1978 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
116	80	Abercom R0.30	112	−2	‡Q29c	1.7	‡	3.8
540	420	Anglo Am. In. R1	535	−2	Q63c	2.4	7.0	5.8
110	83	Ang. Tr's Ind. 50c	105	......	Q19c	3.6	11.7	2.2
46	28	Edworks 10c	46	......	†Q4c	2.9	5.2	6.6
97	62	Gold Flds. P. 2½c	67	......	Q8c	1.2	7.1	11.2
145	95	Gr'tmns 'A' 50c	136	......	‡Q36c	0.6	‡	9.7
125	100	Hulett's Cpn. R1	125	......	‡Q31c	1.4	‡	4.7
345	288	OK Bazaars 50c	345	+7	Q58c	φ	10.2	φ
102	35	Primrose 10cts.	102#	......	‡Q10½c	0.6	‡	29.6
160	130	Rex Trueform 'A' 50c	130	−5	Q28c	4.0	12.9	2.0
76	58	S.A. Brews. 20c	75	......	†Q9½c	2.1	7.6	6.3

FINANCE, LAND—Continued

1978 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
67	38	Majedie Invs. 10p	67	......	0.69	2.2	1.5	45.9
73	48	Martin (R.P.) 5p	52	+1	[illegible]	1.1	[illegible]	7.9
£121¼	920	Mase Mr. & R [illegible]	£111½	......	Q51 [illegible]	—	6.5	—
18	14	N.M.C. Invs. 12½p	15	......	1.3	0.7	13.3	16.1
330	200	Nippon Fd. [illegible]	315	−5	—	—	—	—
13½	9½	Paramba 10p	13	......	—	—	—	—
32	22½	Park Place Inv.	26	......	†1.0	3.6	5.3	5.6
204	167	Pearson (S.) & Son	204xd	[illegible]	6.81	3.5	5.1	2.6
£70¾	£43¾	[illegible]	£67⅞	......	Q9[illegible]	—	[illegible]	—
11	10	St. George 10p	10½xd	......	0.48	φ	6.9	φ
131	90	Scot. & Merc. 'A'	99	−1	5.02	1.7	[illegible]	15.2
£51	£48	S.E. [illegible]	£50	......	Q4.25	—	[illegible]	—
61	51	Smith Bros.	57	......	[illegible]	2.1	12.1	6.0
9	7¾	Sthn. Pac. [illegible]	8¾	......	—	—	—	4.1
£49¾	£27¾	Suez Fin. NF100	£47	......	Q22½	—	6.0	—
975	900	Trans. Mkt. [illegible]	950	......	[illegible]	1.6	[illegible]	4
28	24	Westn. Select. 20p.	25	−1	[illegible]	[illegible]	[illegible]	10.3
53	36½	West of England	51	......	†2.36	3.7	4.1	10.0
87	70	Yule Catto 10p	73	−2	2.39	5.8	2.9	9.5

OILS

1978 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
148	66	Attock 20p	80	−2	—	—	—	—
156	134	Brit. Borneo 10p	150	−6	†6.13	1.6	6.2	25.9
864	720	Brit. Petrol'm. £1	850	+26	22.10	4.2	3.9	9.2
76½	71	Do. 8% Pf. £1	71	......	5.6%	[illegible]	[illegible]	—
57	42	Burmah £1	54	+2	—	—	—	—
£62	£51	Do. 8¼ Ln. 91/96	£60	−¼	Q8¼%	—	[illegible]	—
£[illegible]	863	††C.F.P. Nth. Sea £1	863	......	—	—	—	—
57	49	Century 10p	56½	......	†2.43	3.8	6.5	4.5
30	21	Charterhall 5p	22	+½	—	—	—	56.5
£23	£12¾	Cie Fr. Petroles B	£22	......	Q[illegible]	1.9	5.1	9.6
450	382	††Cluff Oil £1	400	......	—	—	—	—
144	116	††Ch. de Petrol £1	144	......	—	—	—	6.6
14	9½	Endeavour 20c	14	......	—	—	—	—
36	26	KCA	28	−½	♦20.1	—	0.5	—
190	134	LASMO	170	−2	—	—	—	—
£109⅝	£100	LASMO 14% 1981-88	£105	......	Q14%	—	e14.0	—
415	264	LASMO 'Ops' 10p	364	−4	—	—	—	—
28	13	Mercantile Metals 10c	20	......	—	—	—	—
306	178	Oil Expl. 10p	222	−4	2.21	3.0	1.4	31.5
19	12½	Premier Cons. 5p	15	−½	—	—	—	—
£26¼	£14¾	Ranger Oil	£24¼	−2¼	—	—	—	—
1½	1¼	Reynolds Dir. [illegible]	1¼	......	—	—	—	—
£49	£35⅝	Rl. Dutch Fl.20	£46⅝	+⅜	Q[illegible]	2.4	5.7	7.7
610	455	Sceptre Res.	555	−5	—	—	—	—
586	484	Shell Trans. Reg.	582	+8	15.7	4.1	4.1	6.0
69	61½	Do. 7% Pf. £1	62	......	4.9%	[illegible]	12.2	—
330	226	††Siebens (UK) £1	330	+10	—	—	—	—
£64	£55	Texaco 4½% Cnv.	£63	−½	Q4½%	—	17.7	—
184	130	Tricentrol	180	+2	2.32	5.8	1.1	16.3
274	194	Ultramar	272	−2	—	—	—	9.1
151	120	Do. 7pc Cv. £1	149	−2	7%	24.5	6.8	—
150	86	Weeks Nat. 10cts.	140	−4	—	—	—	—
150	86	Do. Ptd. Ord. 10c	140	−4	Q15¼c	—	6.5	—
77	57	Woodside A50c	68	−1	—	—	—	—

OVERSEAS TRADERS

1978 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
315	280	African Lakes	315	+5	4.4	19.0	2.1	2.5
83	60	Aust. Agric. 50c	85	−2	Q3.5c	1.1	2.6	35.3
128	96	Bensford (S. & W.)	128	+2	h4.13	4.7	4.9	4.3
73	64	Borthwk. Tho. 50p	66	−1	6.2	1.1	14.3	(9.1)
39	25½	Boustead 10p	36	−2	1.50	φ	6.5	φ
340	250	Finlay (Jas.) 50p	336	−4	gb6.54	7.0	3.0	6.2
250	290	Gill & Duffus	250xd	+6	8.71	φ	5.3	φ
£63	£49	Gt. Nthn. £10	£61	......	Q12%	φ	2.0	φ
525	325	H'rris'ns. Cros. £1	512	+25	†12.72	3.8	3.8	11.4
78	66	Hoffnung (S.)	78	+2	4.26	2.1	8.3	7.1
425	350	Inchcape £1	425	+2	†15.0	3.2	5.3	10.4
30	21	Jacks Wm.	30	+1	20.66	6.3	—	4.8
19	9	Jamaica Sugar	16	......	—	—	—	—
78	67	Lonrho	78	−1	6.55	2.2	14.2	(3.9)
49	40½	Mitchell Cotts	43	......	3.4	1.7	12.0	(6.0)
275	220	Nigerian Elec.	253	......	13.2	φ	8.2	φ
99	68	Ocean Wlsns. 20p	90	+1	h2.29	3.5	3.9	7.5
235	175	Pat'son Zoch. 10p	230	+5	§7.7	7.5	5.8	3.4
225	165	Do. 'A' N/V 10p	200	+5	§7.7	7.5	5.8	3.4
54	27	Sanger (J.E.) 10p	37	......	†4.43	1.3	‡	6.6
9½	5½	Sena Sugar 50p	6	......	B—	—	—	—
152	88	Sime Darby 10p	150	−1	†Q3.5	3.3	2.4	18.0
410	350	Steel Bros. 50p	410xd	......	13.0	4.4	4.8	6.9
53	40	Tozer Kems. 20p	52xd	+2	3.10	φ	9.0	φ
£92	£87	Do. 8pc Cnv. '81	£90	......	f9.2	10.2	f9.0	—
68	41	U. City Merc. 10p	68	+1	†b0.75	11.0	1.7	8.3
66	41	Do. 10pc Ln. 10p	66	......	f3.4	31.2	f2.7	—

RUBBERS AND SISALS

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
95	75	Anglo-Indonesi'n	93	......	2.54	2.4	4.1
87	65	Bertam Cons. 10p	87	......	3.5	1.5	6.1
15	11½	Bird (Africa)	15	......	—	—	—
51	31	Bradwall 10p	49xd	......	1.7	φ	5.3
305	165	Castlefield 10p	260	......	s2.8	1.0	1.6
71	53	Chersonese 10p	70	......	2.75	φ	6.0
150	95	Cons. Plants 10p	150	+6	12.5	1.2	8.0
57	57	Gadek (Malay.) $M1	57	......	†Q5c	—	2.2
12¾	8½	Grand Central 10p	10	......	0.55	φ	8.3
270	211	Guthrie £1	270	......	†10.15	1.8	5.7
91½	65	Harrisons Mly. Est. 10p	91½	+1	3.05	—	5.0
95	56½	Highlands $M0.50	91	......	Q20.0c	—	4.9
60	41½	Kuala Kepong $M1	57	......	Q12½c	1.5	4.8
47	29	††Kulim $M0.50	43	−½	Q11.5c	φ	5.9
145	69	Ldn. Sumatra 10p	140	+2	♦4.0	1.6	4.7
94	48	Malakoff $M1	89	......	Q20c	φ	4.9
48	30½	Muar River 10p	48	+3	h0.43	3.1	1.4
73½	55	Plantation Hldgs. 10p	69	......	§2.16	2.0	4.8
64	37	Sungei Krian 10p	64xc	+3	b1.5	1.9	3.6

TEAS

India and Bangladesh

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
200	175	Assam Dooars £1	200	+5	♦9.51	5.9	7.2
385	280	Assam Frontier £1	300	+5	h16.25	4.9	8.2
117	104	Assam Invs. £1	117	+1	7.0	3.7	9.1
24	20½	Empire Plants 10p	24	+½	♦1.98	1.6	12.5
272	212	Jokai £1	272	......	♦12.00	3.5	6.7
272	222	Longbourne £1	272	......	♦10.00	6.8	5.6
245	180	McLeod Russel £1	235	+2	†13.5	2.7	8.7
420	390	Moran £1	390xd	......	15.08	4.9	5.9
23½	22	Singlo Hldgs. 10p	23	+½	♦F1.72	3.2	11.8
228	181	Warren Plants.	228	......	P13.0	3.6	8.6
172	138	Williamson £1	172	+2	9.0	4.7	7.9

Sri Lanka

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
185	123	Lunuva £1	180	......	5.5	1.5	4.6

Africa

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
500	390	Blantyre £1	450	......	50.0	φ	16.8
160	130	Ruo Estates	160	......	13.0	φ	12.3

MINES

CENTRAL RAND

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
385	140	Durban Deep R1	225	+8	—	—	—
416	244	East Rand Prp. R1	299	......	‡Q5c	16.4	‡
£36½	£29¾	Randfont'n Est. R2	£32¾	+¼	Q350c	2.5	6.4
178	78½	West Rand R1	113	......	Q13c	6.7	6.9

EASTERN RAND

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
93	57½	Bracken R1	66	......	†Q25c	1.5	22.6
33	18	East Daggs R1	27½	+1½	†Q20c	1.2	—
351	235	E.R.G.O. R0.50	331	−1	N25c	—	4.5
152	76	Grootvlei 30c	84	+2	Q19c	1.8	13.5
391	271	Kinross R1	331	+8	†Q34c	1.8	6.1
52½	35	Leslie 65c	41	......	†Q3c	1.2	4.6
104	67	Marievale R0.50	84	+2	Q46c	1.0	32.7
73½	37	S. African Ld. 35c	45	+1	—	—	—
60	37	Viakfontein R1	40½	+½	Q25c	8.4	36.9
780	517	Winkelhaak R1	614	+8	†Q86c	1.7	8.4
63	31	Wit. Nigel 25c	40½	+½	—	—	—

FAR WEST RAND

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
445	288	Blyvoor 25c	323	......	†Q46c	2.3	8.5
931	764	Buffels R1	878	−1	†Q130c	1.4	8.8
96	71½	Deelkraal R0.20	77	−1	—	—	—
313	214	Doornfontein R1	242	−4	†Q15c	5.1	3.7
712	589	East Drie R1	642	+3	Q78c	1.7	7.3
238	154	Elandsrand Gld. 20c	194	......	—	—	—
153	92	Elsburg R1	102	+1	Q8.45c	1.0	5.0
£11¾	890	Hartebeest R1	£10½	......	†Q135c	1.5	7.7
502	408	Kloof Gold R1	460	−1	Q30c	2.3	3.9
562	432	Libanon R1	444	−1	†Q35c	3.2	6.1
527	419	Southvaal 50c	448	+3	Q21c	1.0	2.8
282	206	Stilfontein 50c	222	+4	Q22c	2.3	5.9
£13½	£11	Vaal Reefs 50c	£11⅞	+⅛	Q115c	3.3	6.0
289	123	Venterspost R1	274	+4	†Q5c	7.3	1.7
£19¼	£16⅝	W. Drie R1	£18⅞	......	Q280c	1.6	9.1
241	152	Western Areas R1	170	......	Q13c	2.7	4.6
783	589	Western Deep R2	727	+9	Q82.5c	2.4	6.8
201	163	Zandpan R1	190	......	†Q22c	1.0	6.9

O.F.S.

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
95	75	Free State Dev. 50c	80	......	Q11c	1.4	8.2
£17⅞	£11½	F.S. Geduld 50c	£15xd	......	†Q240c	2.7	9.5
121	59	F.S. Saaiplaas R1	72½	−½	—	—	—
413	279	Harmony 50c	295	......	Q55c	4.7	11.1
134	66	Loraine R1	82½	−1½	Q6c	0.5	4.3
£10⅜	750	Pres. Brand 50c	878xd	+19	Q130c	2.6	8.3
789	582	Pres. Steyn 50c	654xd	+31	†Q20c	9.9	1.8
883	703	St. Helena R1	727	+20	†Q115c	2.5	9.4
199	144	Unisel	162	......	—	—	—
302	190	Welkom 50c	258xd	−1	†Q35c	1.9	8.1
£19⅜	£13⅜	W. Holdings 50c	£16⅛xd	......	†Q280c	1.5	10.4

FINANCE

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
575	424	Ang. Am. Coal 50c	515	+9	Q60c	3.4	7.0
311	246	Anglo Amer. 10c	294	......	♦†Q33c	2.0	6.7
£17¾	£14¼	Ang. Am. Gold R1	£15¾	+⅛	Q165c	1.1	6.3
700	621	Ang-Vaal 50c	700	......	Q105c	3.4	9.1
137	119	Charter Cons.	129	......	†7.5	1.8	9.0
204	163	Cons. Gold Fields	168	−2	†9.05	2.6	8.2
25	17¼	East Rand Con. 10p	17½xd	......	1.05	φ	9.1
£16½	£14	Gen. Mining R2	£15¾	......	Q225c	φ	8.5
£12½	£10¾	Gold Fields S.A. 25c	£11⅞	......	Q110c	1.2	5.5
£13¼	£10	Jo'burg Cons. R2	£11⅝	+¼	Q170c	2.2	8.8
180	138	Middle Wit 25c	147	......	Q22½c	1.3	9.1
156	126	Minorco SBD1.40	153	......	Q12c	1.4	4.4
122	95	New Wit 50c	105	+4	Q15c	0.6	8.5
£11¾	860	Patino NV Fls.5	£11¼	−⅛	QC50c	φ	2.6
58	50	Rand London 15c	57	......	†Q10c	3.0	10.5
412	375	Selection Trust	400xd	......	14.0	φ	5.3
210	161	Sentrust 10c	202	......	†Q28c	1.1	8.3
42	29	Silvermines 2½p	39	......	2.5	1.7	9.7
£13½	£11	T'vaal Cons. Ld. R1	£13½	+½	Q95c	3.4	4.2
232	182	U.C. Invest R1	200	......	Q30c	1.2	9.0
292	238	Union Corpn. 6.25c	265	......	Q38c	1.6	8.6
55	40	Vogels 2½c	55	+5	Q7½c	1.0	8.1

DIAMOND AND PLATINUM

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
£37¾	£30	Anglo-Am. Inv. 50c	£35¾	+¼	Q600c	φ	10.2
90	64	Bishopsgate Pt. 10c	77	+1	†Q7.1c	1.0	5.5
354	285	De Beers Df. 5c	339	+5	Q52.5c	3.3	9.2
£11½	925	Do. 40pc Pf. R5	£11	......	Q200c	380.6	10.9
74	54	Lydenburg 12½c	60	+2	‡Q2.7c	1.0	‡
98	70	Rus. Plat. 10c	78	+2	‡Q2½c	1.4	‡

MINES—Continued

CENTRAL AFRICAN

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
210	155	Falcon Rh. 50c	178	......	Q50c	1.3	24.0
24	17	Rhod'n Corp. 16½p	19	......	0.56	φ	4.5
73	52	Roan Cons. K4	68	......	—	—	—
147	122	Tanganyika 50p	144	−1	Q11.0	1.1	7.6
60	55	Do. Pref. 80p	60	......	Q9%	26.4	9.0
41	32	Wankie Col. Rh.1	37	......	†Q7½c	1.4	17.3
15	10	Zam. Cpr. SBD0.24	15	......	—	—	—

AUSTRALIAN

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
22	10	Acmex 25c	10	......	—	—	—
113	64	Bougainville 50 Toea	105	+1	Q8c	1.4	4.8
78	63	BH South 50c	74	−1	—	—	—
237	146	Conzinc Riotinto 50c	206	+2	Q10c	2.2	3.0
72	42	G.M. Kalgoorlie $1	56	+2	—	—	—
136	21	Hampton Areas 5p	119	−5	1.45	4.1	1.8
17	10	Metals Ex. 50c	14	......	—	—	—
187	125	M.I.M. Hldgs. 50c	178	+4	Q9c	1.7	3.1
24	10	Mount Lyell 25c	22	......	—	—	—
2¾	1½	Newmetal 10c	2¾	......	—	—	—
222	79	North B. Hill 50c	207	+1	Q8c	1.5	4.7
11½	8½	Nth. Kalgurli	9	......	—	—	—
156	127	Oakbridge $A1	150	......	†Q11c	1.9	4.6
40	30	Pacific Copper	34	......	—	—	—
£11¼	750	Pancont. 125c	£11¼	+¼	—	—	—
19½	12	Parinca M&Ex. 5p	17½	−1	—	—	—
460	370	Peko-Wallsend 50c	445	−10	Q15c	4.0	2.1
122	94	Western Mining 50c	114	−1	Q6c	1.4	3.2
50	35	Whim Creek 20c	40	......	—	—	—

TINS

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
30	22	Amal. Nigeria	24	......	†2.51	1.6	15.9
335	240	Ayer Hitam $M1	335	+10	[illegible]	0.9	[illegible]
55	45	Beralt Tin	52	......	3.75	φ	11.5
270	200	Berjuntai $M1	270	......	†Q11[illegible]	φ	[illegible]
140	111	Geevor	140	......	h4.51	3.4	4.9
[illegible]	8½	Gold & Base 12½p	9½	......	—	—	—
270	220	Gopeng Cons.	255	−5	15.0	0.9	9.0
160	[illegible]	Hongkong	160	......	—	—	—
95	78	Idris 10p	82	+2	7.5	φ	13.9
12	10	Jantar 12½p	11	......	—	—	—
73	68	Kamunting $M0.50	69	......	[illegible]	0.7	4.8
460	450	Killinghall	460	......	Q125	φ	27.2
360	280	Malay Dredging $M1	350	+10	†Q95c	0.6	5.0
54	40	Pahang	54	......	†Q7½c	0.5	[illegible]
55	50	Pengkalen 10p	57	......	6.5	1.3	17.1
195	165	Petaling $M1	195	......	[illegible]	10.9	1.4
61	49	Saint Piran	55	......	g1.99	4.6	5.5
61	47	South Crofty 10p	57	......	b4.13	1.5	11.0
190	140	South Kinta $M0.50	190	+5	†Q77.5c	1.4	8.8
280	230	Sthn. Malayan $M1	270	+5	†Q[illegible]	1.1	10.4
195	134	Sungei Besi $M1	195	......	—	—	—
72	55	Supreme Corp. $M1	72	......	†Q10c	—	7.0
100	85	Tanjong 15p	90	......	6.5	φ	10.9
95	74	Tongkah Hrbr. $M1	95	......	[illegible]	1.6	12.9
195	148	Tronoh $M1	195	−3	†Q85c	φ	9.7

COPPER

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
96	70	Messina R0.50	85	−2	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
16	9	Burma Mines 17½p	15	−1	—	—	—
300	220	Cons. Murch. 10c	245	......	Q30c	2.6	7.3
365	345	Northgate C$1	345	−15	—	—	—
210	164	R.T.Z.	204xd	−1	9.5	2.8	7.1
46½	30	Sabina Inds. C$1	34	......	—	—	—
£11	750	Tara Exptn. $1	£10	−½	—	—	—
45	43	Tehidy Minerals 10p	43xd	......	1.33	φ	4.7
162	120	Yukon Cons. C$1	154	+1	Q7c	φ	2.2

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ *Figures or report awaited.*
- †† Unlisted security.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ *Merger bid or reorganisation in progress.*
- ♠ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ *Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.*
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j *Payment from capital sources.* k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u *Forecast dividend: cover based on previous year's earnings.* v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M *Dividend and yield based on prospectus or other official estimates for 1978.* N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. §§ Yield based on assumption *Treasury Bill Rate stays unchanged until maturity* of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 38

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish *issues, most of which are not officially listed in London,* are as quoted on the Irish exchange.

Albany Inv. 20p	23	......	Sheff. Refrshmt.	52	......
Ash Spinning	46	......	Sindall (Wm.)	85	......
Bertam	22	......			
Bdg'wtr. Est. 50p	272	......			
Clover Croft	22	......	**IRISH**		
Craig & Rose £1	420	......			
Dyson (R. A.) A	42	+1	Conv. 9% '80/82	£92¼	......
Ellis & McHdy.	65	......	Alliance Gas	75	......
Evans Fr'k. 10p	57§	......	Arnott	320	......
Evered	13½	......	*Carroll (P.J.)*	92	......
Fife Forge	50	......	Clondalkin	95	......
Finlay Pkg. 5p	20	......	Concrete Prods.	132	+2
Graig Ship. £1	150	......	Helton (Hldgs.)	41	−3
Higsons Brew.	82	......	Ins. Corp.	148xc	......
I.O.M. Stm. £1	147	......	Irish Ropes	125	......
Holt (Jos.) 25p	255	+3	Jacob	65	......
N'thn. Goldsmith	55	......	Sunbeam	31	+1
Pearce (C. H.)	150	+20	T.M.G.	190xd	......
Peel Mills	19	......	Unidare	95	......
Sheffield Brick	48	......			

OPTIONS
3-month Call Rates

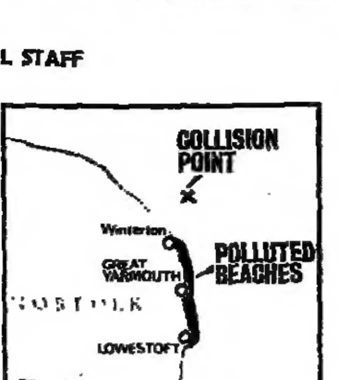
Industrials		I.C.I.	23	Tube Invest.	30
A. Brew	6½	"Imps"	7	Unilever	40
A.P. Cement	16	I.C.L.	20	Utd. Drapery	7½
B.S.R.	9	Inveresk	7	Vickers	15
Babcock	10	KCA	5	Woolworths	6
Barclays Bank	25	Ladbroke	17	**Property**	
Beecham	35	Legal & Gen.	14		
Boots Drug	15	*Lex Service*	7	Brit. Land	3½
Bowaters	16	Lloyds Bank	22	Cap. Counties	5
B.A.T.	24	"Lofs"	5	E.P.	5
British Oxygen	6	London Brick	5	Intereuropean	4
Brown (J.)	20	Lonrho	7	Land Secs.	18
Burton 'A'	13	Lucas Inds.	25	MEPC	12½
Cadburys	5	Lyons (J.)	13	Peachey	10
Courtaulds	10	"Mams"	7	Samuel Props.	10
Debenhams	10	Mrks. & Spncr.	11	Town & City	2
Distillers	13	Midland Bank	25	**Oils**	
Dunlop	6½	N.E.I.	20		
Eagle Star	11	Nat. West. Bank	22	*Brit. Petroleum*	35
E.M.I.	16	Do. Warrants	10	Burmah Oil	7
Gen. Accident	27	P & O Dfd.	10	Charterhall	3½
Gen. Electric	18	Plessey	9	Shell	28
Glaxo	40	R.H.M.	5	Ultramar	22
Grand Met.	9	Rank Org. 'A'	18	**Mines**	
G.U.S. 'A'	18	Reed Intl.	14		
Guardian	18	Spillers	4		
G.K.N.	22	Tesco	4	Charter Cons.	12
Hawker Sidd.	20	Thorn	22	Cons. Gold	20
House of Fraser	12	Trust Houses	15	Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Tuesday May 9 1978

France, Greece call tanker crash inquiries

BY PAUL TAYLOR, INDUSTRIAL STAFF



THE FRENCH and Greek Governments ordered inquiries yesterday into Saturday's collision between the Greek tanker Eleni V and the French merchant ship Roseline as hundreds of tons of oil were washed on to Norfolk and Suffolk beaches. About 1,000 tons seeped from the tanker's forward section after the tanker was cut in two by the collision.

Details of the pollution and the inquiries were given in the Commons by Mr. Stanley Clinton Davis, Minister of Trade.

Last night anti-pollution vessels continued to spray dispersants on to the oil slick.

Five divers, hoisted by helicopter on to the slippery surface of the forward section, succeeded in the first stage of anchoring it. This should stop it drifting further.

The collision is thought to have happened six to eight miles off Happisburgh, Norfolk, in thick fog in an area where there are no major ship separation lanes.

The 13,000 ton Eleni V was carrying 16,500 tons of heavy fuel oil from Rotterdam to Grangemouth.

The larger after-section of the tanker, containing about 75 per cent. of the oil, has been towed to the Hook of Holland, and last night was awaiting entry into Rotterdam, where the oil will be unloaded.

The forward section, containing about 4,000 tons, tilted through 90 degrees on collision, leaving the bows almost vertical with about 20 feet above water and 80 feet below.

Despite the attendance of up to eight spraying vessels, some oil has found its way on to a 15-mile stretch of coast between Winterton and Lowestoft.

The oil was blown ashore by a sudden and unexpected change in the wind, which also hampered attempts to secure a line to the forward section enabling it to be towed out to sea.

The forward section has drifted some 15 miles south from the original collision point and was stranded last night on the Corton sandbank three miles off Lowestoft.

The first and subsequent attempts to secure a line failed when the line broke.

Department of Trade officials were keen to play down the pollution threat. They describe the pollution as "not particularly serious."

Mr. Clinton Davis told MPs: "The French authorities have put in hand an inquiry into the conduct of the Master and crew of the French ship, and it is also hoped to take evidence from the personnel of the Greek ship."

This did not appear to satisfy some MPs, who called for tighter control of tanker movements round British shores, and a U.K. inquiry into the incident.

Mr. Davis told them stricter controls on tanker movements were a matter for international agreement, and that he had no power to order a British inquiry because the collision was believed to have happened in international waters.

Parliament Page 8

SWAPO recalls UN talks team

BY OUR OWN CORRESPONDENT NEW YORK, May 8.

THE SOUTH WEST Africa People's Organisation (SWAPO) to-day came close to wrecking the year-long efforts of the Western members of the Security Council to obtain a settlement in Namibia.

In an announcement made only an hour before a new round of talks was to have resumed in the U.S. mission to the U.N., SWAPO disclosed that its negotiators had been urgently recalled to Lusaka.

Most of the team, including Mr. Sam Nujoma, the president, are already on their way back to Zambia. What was not clear immediately was whether SWAPO had finally slammed the door on the proposals worked out by Britain, the U.S., France, West Germany and Canada and accepted by South Africa.

The statement said that the decision not to take part in new talks—which Mr. Nujoma himself had asked for—was taken "in face of the grave situation created by the military invasion against the People's Republic of Angola" by South African troops based in Namibia.

The South African military assault, against SWAPO guerrilla camps in Angola, was unanimously condemned by the Security Council last Saturday. Angola said the actual targets were refugee camps and that more than 500 refugees were killed and several hundred others wounded. The raid has been widely criticised by Western Governments.

The statement also cited the round-up of SWAPO adherents in Namibia, ordered under emergency regulations by the South African administrator-general, Mr. Martinus Steyn.

It said this was aimed at liquidating SWAPO and imposing a "neo-colonial puppet regime" set up under the terms of the Turnhalle Constitution—which was suspended when the Western powers declared it internationally unacceptable.

"All these sinister developments make the prospects for a negotiated settlement in Namibia exceedingly bleak," it said.

In a separate letter advising the Western powers of the SWAPO central committee's decision to recall the negotiating delegation, Mr. Nujoma said the South African military and other actions had cast serious doubt on the prospects for successful talks.

At the same time, according to the Western delegates, he told them of his organisation's continued wish for a negotiated settlement.

Seizing on this apparently positive element, they said in a statement that they welcomed this expression and would pursue their efforts to obtain such a settlement.

Dr. Kurt Waldheim, the UN Secretary-General, said he was "very much concerned" by SWAPO's withdrawal. He was meeting its representatives who remained in New York to discuss the situation.

THE LEX COLUMN

Lifeboat launched for shipowners

The financial markets were coming round to the view yesterday that the banking sector figures due this afternoon will show growth of more like 2 per cent. for eligible liabilities during April than the 1 per cent. or less that has been thought likely up to now. So those discount houses that bid aggressively for Treasury bills last Friday were left to wait anxiously as the market rate for "hot" bills rose into the band corresponding to MLR at 9 per cent. Meanwhile, gilt-edged prices eased, and buyers are unlikely to appear now in any numbers until next Monday's trade figures are out of the way.

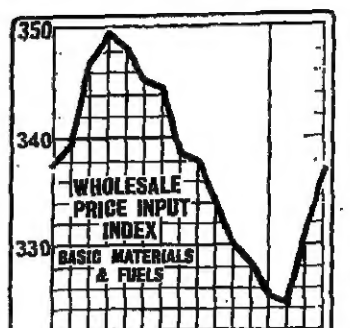
A high level of growth in eligible liabilities during the April banking month could imply that official support for sterling failed to have much impact on the figures. Moreover, gilt sales were quite low during the month, and central Government borrowing was larger than of late.

Lifeboat ahoy!

The Government has finally launched a lifeboat to rescue those unlucky U.K. shipping companies that are on the verge of sinking. Judging by the latest lay-up figures, the move comes not a moment too soon. A year ago only five U.K. dry cargo ships totalling 156,000 dwt were laid-up, according to the General Council of British Shipping. Currently, some 19 dry cargo ships totalling 1.5m. dwt are laid-up and while the idle U.K. tanker fleet has stabilised at just over 2m. dwt, the idle dry cargo fleet is increasing rapidly.

The Government is clearly worried that if the situation continues much longer, more and more U.K. shipping companies will be forced to sell off tonnage at rockbottom prices to survive. Consequently, it is now prepared to grant a three-year moratorium on the repayment of U.K. Government guaranteed shipbuilding loans. About £0.9bn. of such loans are outstanding (roughly half the total U.K. shipping debt) and repayments are running at the rate of £100m. or so per annum. Only those companies with "serious short-term cash flow problems" will be considered.

Index fell 1.4 to 480.1



While the measures will obviously relieve the financial pressures on some U.K. companies they are of little relevance to those companies that ordered in foreign yards. In addition, the emphasis is on the deferment of capital repayments (not interest payments) and given that many shipping companies are not earning sufficient to cover their interest charges, it seems inevitable that some U.K. companies will go to the wall.

Against this depressing background the Government's continued heavy subsidisation of foreign ship owners ordering in the U.K. looks increasingly bizarre. At the moment the U.K. shipping industry makes a far bigger contribution to the balance of payments than the U.K. shipbuilders.

Commercial Union

Commercial Union's £29.6m. pre-tax for the first quarter is close to the top of the range of expectations, and there is a substantial advance compared with the same quarter last year. The £8.9m. reduction in the underwriting loss accounts for the bulk of the £11.6m. overall improvement, while elsewhere the rights issue proceeds will have boosted investment income by some £1.5m. for the three months. The underwriting account remains slightly in the red however, with losses of £2.3m., after the brief move into modest profits in the final quarter of 1977. Holland continues to be the problem area, offsetting small underwriting profits in most other territories including the U.K., but there are hopes of a return to profits in Holland following the go-ahead for 15-20 per cent. rate increases for 1978.

First quarter profits for insurance companies inevitably rely heavily on estimates, but taken together with Royal's results to-morrow the CU profits will give an idea of the industry's current expectations. At this stage CU still seems in line for something over £130m. against £99.8m. pre-tax: the yield is 7.4 per cent. at 156p.

Northern Foods/ Pork Farms

After failing to secure control of Shipstone, the Nottingham brewery, Northern Foods has turned its attention to pork pies with a £23m. agreed bid for Pork Farms. The only connection between these two potential partners is that they are both in the food (and drinks) area; Shipstone is assets rich and has a dull profit record; Pork Farms has an excellent profit growth record—earnings per share will have more than doubled in the past four years—while its net tangible assets at the date of the last balance sheet were less than £3m. The vast disparity between this and the bid price is explained by the high return on capital at Pork Farms.

Given the low asset backing, the bid multiple of 16½ (on 1977-1978 earnings) looks demanding. Pork Farms is talking of "substantial" profit growth for the current year, but a more tangible forecast for the current year is needed if Northern Foods is to show it has bought well.

Marchwiel

Marchwiel Holdings is going through a similar process to H. P. Bulmer in reorganising its capital structure. As a result it gets dividend freedom for two years. The complex scheme of arrangement involves the creation of a new holding company called Marchwiel in which shareholders will receive shares in place of those they now hold. Ordinary shareholders will receive eight new ordinary shares and a 9 per cent. cumulative preference share for every four ordinary shares they now hold.

Marchwiel maintains that the reconstruction is necessary for good structural and organisational reasons within the group, adding that the new preference shares will allow existing ordinary shareholders to realise capital without affecting their interests. But if dividend controls are not ended in July it is likely that other companies will be looking closely at comparable schemes.

IMF seeks early approach from would-be borrowers

BY DAVID FREUD

THE International Monetary Fund wants countries running into balance of payments problems to approach it for help earlier than they do now.

Dr. Johannes Witteveen, retiring managing director of the IMF, told a Financial Times conference in London yesterday that the fund was being seen increasingly as a lender of last resort. This meant it was approached only when a country's economic situation had deteriorated so far that severe adjustment measures were required.

However, over the last few years the IMF had relaxed its conditions and made funds available over longer periods.


Dr. Johannes Witteveen

Severity

Dr. Witteveen also reiterated his call to countries with strong balance of payments and stable prices to contribute more vigorously to world economic growth.

Although they were not named, he was clearly referring to, among others, Japan and West Germany. His remarks follow the interim committee meeting of the IMF in Mexico a week ago at which both countries were urged to step up their rates of growth.

But Dr. Witteveen also bracketed developing countries with strong economic positions in the same category. This implies a new way of looking at the role of countries like Korea and some of the OPEC states by the fund.

Much of the difficulty associated with the conditions attached to IMF loans, said Dr. Witteveen, arose from the severity of the adjustment procedures required when countries needed help at a late stage.

"I would hope that countries would increasingly recognise the desirability of approaching the Fund in the early stages of their balance of payments problems," he said.

The original purpose of the stand-by arrangement as a precautionary device to assure the availability of financing to countries that did not have an immediate need, but felt it might in the future, had been lost sight of.

"I think countries must once again begin to look upon the stand-by arrangement as a line of credit to be arranged before a large-scale or urgent need for financing is actually upon them.

"Our friends in the fourth estate can help in this respect by not always portraying such occasions as situations of crisis or confrontation."

Conference report Page 32
Leading article Page 18

Face Leyland malaise Scanlon tells unions

BY ALAN PIKE IN WORTHING

LEADERS OF the Amalgamated Union of Engineering Workers were yesterday accused of a "total negation of trade union responsibility" for failing to fight the closure of British Leyland's Speke assembly plant.

Anger at the passive official union reaction to the closure, due on May 26, exploded during a debate on Leyland at the AUEW's annual conference at Worthing.

The attack was met by Mr. Hugh Scanlon, union president, who defended the position of the AUEW executive and the Confederation of Shipbuilding and Engineering Unions, neither of which gave clear support to the efforts of Speke shop stewards to keep the plant open.

He said the unions must take a long and hard look at themselves if the "malaise" in Leyland was to be cured.

However, Mr. Scanlon failed to persuade delegates against adopting a resolution rejecting any attempt by the Government to interfere with, close, or run down British Leyland. This was carried by 35 votes to 33.

Mr. Edward Gilbertson, a Merseyside delegate, said that what had happened at Speke, where the workforce had now become disillusioned and opted for redundancy, could not be justified.

Mr. Scanlon said that every TR-7 produced at the plant had been costing the taxpayer £850. Management had said it was impossible to continue production at such loss, and talks had been unable to produce adequate economies.

After deciding to close Speke, Leyland had warned that if the run-down met resistance, TR-7 production would cease completely, causing more redundancies.

That was the situation which faced union leaders when they met to consider the Speke problem after a 16-week-long strike at the plant.

Mr. Scanlon went on: "British Leyland cannot continue at the present level if there is continuous and recurring interruption of production which can and should be settled by disputes procedure."

In a day of trade union activity on wages and incomes policy, Mr. Moss Evans of the Transport Workers challenged the Prime Minister's "new understanding" . . . electricians called for a 38-hour week and a 60 per cent. basic rate rise . . . and civil servants rejected further interference with their pay determination system. Labour News, Page 9.

He proposed a top-level meeting between Government, unions and management to try to identify and resolve difficulties in the company.

The anger of delegates yesterday can do little to change the position at Speke, now that the 3,000-strong workforce has decided to accept redundancy. It is likely that the Confederation executive will formally accept closure of the plant later this week.

To-day, workers from Merseyside will lobby MPs over unemployment in the area, which has seen about 6,000 new redundancies this year.

Japan may buy BAC 1-11s

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

THE JAPANESE internal airline, Toa, may place an order this summer for several BAC One-Eleven aircraft. It is expected to take a firm decision in the autumn to purchase a number of European Airbuses.

This was indicated by Mr. Nobuhiko Ushiba, Japan's Minister for External Economic Relations, during a week-end meeting with Mr. Wilhelm Haferkamp, EEC Commissioner for External Relations, in Hamburg. Japan also hinted at an improved tariff cut offer in forthcoming multilateral trade talks.

Mr. Ushiba was apparently reluctant to specify the size of the expected orders, but officials in Brussels suggest that they could amount, initially at least, to about six Airbuses and perhaps three BAC One-Elevens.

The estimate of the prospective purchase of BAC One-Elevens is rather smaller than those recently circulated in Tokyo, where officials have suggested that the order might amount to 12 aircraft or more.

EEC officials may be deliberately taking a cautious line, since Toa has made it clear that it will purchase the aircraft only if the Japanese Government approves a realignment of airline routes. This approval has yet to be given.

Mr. Ushiba is believed to have been rather more positive in assessing the outlook for a decision to purchase the airbus, which could be flown by Toa without any adjustment to airline routes in Japan.

Mr. Ushiba has also told Mr. Haferkamp that his Government planned to table an improved tariff cut offer in the General Agreement on Trade and Tariffs multilateral trade negotiations soon.

The offer could come perhaps before the end of this month, though Mr. Ushiba did not indicate how far it would go. Japan expected the negotiations to be substantially completed before the seven-nation Western Economic Summit in Bonn in mid-July.

Last month, the EEC tabled a list of provisional withdrawals from its original tariff proposals in response to what it considered disappointing offers by Japan and the U.S.

The Carter Administration has not yet indicated what, if any, improvements it plans to make to its offer.

In an effort to show that Japan was responding to the EEC's demands for a correction of its trade balance, Mr. Ushiba claimed that Japanese exports to the Community had grown more slowly during the first quarter than its imports from the Nine.

The European Commission was not yet able to confirm whether its figures tallied with the Japanese statistics.

Even if they did, the EEC would be reluctant to concede than an improvement during a single quarter represented any definitive turn around in the pattern of bilateral trade, a spokesman said.

The picture should be clearer by July when Mr. Takeo Fukuda, Japanese Prime Minister, visits Brussels immediately after the Bonn summit for talks with Mr. Roy Jenkins, President of the Commission.

Bank talks Page 4

Weather

U.K. TO-DAY

SUNNY spells. Rain or drizzle at first in England and Wales.

London, S.E., S.W. and Cent. S. England, Channel Is., Wales

Cloudy, rain or drizzle at first. Max. 14-16C. (57-61F).

E. Anglia, E. and Cent. N. England

Some drizzle, sunny intervals later. Max. 13C (55F).

Midlands

Cloudy, sunny spells later. Max. 16C. (61F.).

N.W. England, I. of Man, N. Ireland

Dry, sunny. Max. 17-20C. (63-68F.).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen

Dry, sunny periods. Max. 12C (54F).

Lakes, S.W. and N.W. Scotland, Glasgow, Cent. Highlands, Argyll

Dry, sunny periods. Max. 16C (61F)

Moray Firth, N.E. Scotland, Orkney, Shetland

Dry, sunny periods. Max. 14C (57F).

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	S	24	75	London	D	11	52
Amsterdm.	C	12	54	Luxembrg.	C	12	54
Athens	S	22	72	Madrid	F	19	66
Bahrain	S	29	84	Manchstr.	C	14	57
Barcelona	C	16	61	Melbourne	C	23	73
Beirut	S	22	72	Milan	C	20	68
Belfast	C	11	52	Montreal	S	17	63
Belgrade	C	15	59	Moscow	C	12	54
Berlin	C	12	54	Munich	R	7	45
Brmnghm	C	10	50	Newcastle	S	11	52
Bristol	C	11	52	New York	C	22	72
Brussels	C	12	54	Oslo	S	18	64
Budapest	R	15	59	Paris	C	14	57
B. Aires	S	25	77	Perth	C	17	63
Cairo	S	32	90	Prague	R	10	50
Cardiff	D	9	48	Reykjavik	D	9	48
Chicago	S	15	59	Rio de J'o	S	35	95
Cologne	C	14	57	Rome	F	18	64
Copnhagn	S	18	64	Singapore	S	31	88
Dublin	C	10	50	Stockholm	S	13	55
Edinburgh	S	11	52	Strasbrg.	C	11	52
Frankfurt	C	13	55	Sydney	S	23	73
Geneva	C	10	50	Tehran	S	21	70
Glasgow	S	15	59	Tel Aviv	S	22	72
Helsinki	F	12	54	Tokyo	C	19	66
H. Kong	S	28	82	Toronto	R	11	52
Jo'burg	S	21	70	Vienna	F	13	55
Lisbon	F	19	66	Zurich	D	7	45

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	F	17	63	Jersey	C	11	52
Algiers	F	21	70	Las Plms.	S	21	70
Biarritz	C	13	55	Locarno	C	20	68
Blackpool	C	13	55	Luxor	S	38	100
Bordeaux	C	14	57	Majorca	S	22	72
Boulogne	C	9	48	Malaga	S	27	81
Casblnca.	S	20	68	Malta	F	16	61
Cape Tn.	C	17	63	Nairobi	C	18	65
Corfu	C	18	64	Naples	C	15	59
Dubrovnik	C	14	57	Nice	C	15	59
Faro	C	19	66	Nicosia	S	24	75
Florence	C	12	54	Oporto	C	14	57
Funchal	S	19	66	Rhodes	S	21	70
Gibraltar	S	25	77	Salzburg	R	8	46
Guernsey	C	11	52	Tangier	F	20	68
Innsbruck	R	11	52	Tunis	S	22	72
Inverness	S	7	45	Valencia	C	25	77
Is. of Man	R	11	52	Venice	F	18	64
Istanbul	C	16	61				

S—Sunny F—Fair C—Cloudy R—Rain D—Drizzle.

Price Waterhouse asked to advise on PLA

BY LYNTON McLAIN, INDUSTRIAL STAFF

THE GOVERNMENT has asked Price Waterhouse, the accountants, to advise it on the Port of London Authority's financial forecasts.

The move, announced by Mr. William Rodgers, Transport Secretary, in the Commons yesterday, has come only days after the PLA warned that it was near total bankruptcy.

Mr. John Cuckney, PLA chairman, said on Thursday that the Authority, which lost £8m. last year, had reached "the end of the road." He had been in constant touch with Mr. Rodgers about the drain on resources caused by inefficient working at the port's upper docks.

Price Waterhouse, it became clear last night, will not be expected to draw up a rescue programme, although the PLA last week presented a range of costed options aimed at easing its plight.

The options are also contained in the authority's confidential five-year plan, which includes options for expanding activity at Tilbury, as well as phasing out the Royal, Millwall and India Docks.

"Speed is of the essence," the authority said last night, but it would not say when the report from Price Waterhouse would be available.

Earlier, Mr. Rodgers had warned the Commons that there was no easy solution to the PLA's crisis.

Parliament, Page 8

ICI faces union call to employ jobless

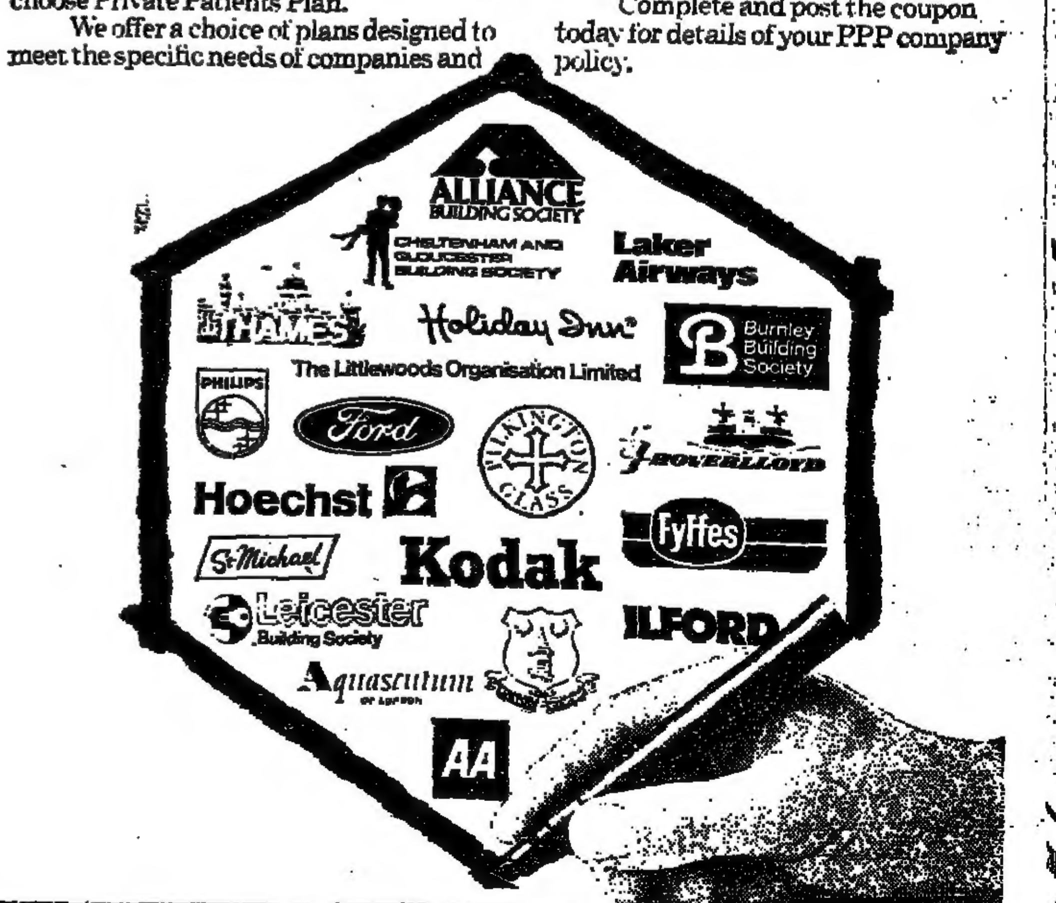
BY PAULINE CLARK, LABOUR STAFF

ICI will face a union demand to recruit a set proportion of unemployed school-leavers into its white-collar ranks when it embarks this month on a new round of pay negotiations for its 85,000 workforce.

This would almost certainly be the first time that union negotiators in any industry have sought to include in their annual pay agreements measures to force major companies to take action on youth unemployment.

A demand for a guaranteed recruitment level among school-leavers of about 4½ per cent. will be part of a pay claim to be submitted shortly by unions, including ACTSS, the staff section of the Transport and General Workers' Union, on behalf of clerical and administrative staff in ICI.

The company said yesterday it already employed 700 more young people than it would normally take on, as part of its contribution to the youth unemployment problem. At present it employs around 2,800 youngsters between the ages of 16 and 19.



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